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Eurasian Union Possible Topic at CIS Summit

LD0307194394 Moscow ITAR-TASS in English 1813 GMT 3 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Minsk July 3 TASS—The initiative to create an Eurasian union, which was moved by Kazakh President Nursultan Nazarbayev, may be included into the agenda of the forthcoming summit of CIS heads of state and government to be held in the Black Sea resort of Sochi in September.

This was announced on Sunday by Russian Prime Minister Viktor Chernomyrdin, who had come to the Belarusian capital Minsk to attend the weekend's celebration of the 50th anniversary of the liberation of Minsk by Soviet troops in World War Two.

Nazarbayev came up with the initiative to set up an Eurasian union on the eve of the April CIS summit in Moscow. However, at the time CIS leaders declined to discuss the issue on the pretext that the Kazakh president's proposal was not concrete enough.

By the present moment, Chernomyrdin stressed, Kazakhstan has mapped out clear-cut parameters of the proposed union. The principles to form its basis are very similar to those governing the current close economic integration between Russia and Belarus, the Russian premier pointed out.

Military Meeting Discusses Security, Coalition

LD0407163194 Moscow INTERFAX in English 1529 GMT 4 Jul 94

[Text] The prospects of forming a collective security system and a coalition force of the CIS were discussed on Monday at the staff for coordinating military cooperation of Commonwealth countries. The round-table meeting recognized the existence of a military threat to individual countries of the community and the CIS as a whole.

The secretary of the Council of Defense Ministers Lieutenant- General Leonid Ivashov suggested forming a military or military- political union of CIS countries under a joint command. He said the union could form a security belt, neutralize aggressive intentions of third countries, repel through joint efforts possible aggression against an individual CIS country or the commonwealth as a whole and fight back any aggressor.

According to the general, the command of the coalition force should have super-national powers offered by the Collective Security Council and an appropriate provision should be included in the laws of CIS members.

The general also spoke for introducing for "the threat period" the post of a Supreme Commander of the joint armed forces who would be given super-national powers for the time of rebuffing an aggression.

In his report Ivashov said that the defense capability of CIS armies is at an insufficient level. Besides, there is no common defense area or collective security system.

The general admitted that the degree of military integration depends on the political and economic integration of Commonwealth countries, which prompted him to speak for a more flexible structure of the union: closer for some CIS countries, and "fragmentary" for others.

In this context Ivashov said he assumed that there could be closer integration between sides to the collective security treaty: Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. Moldova, Turkmenistan and Ukraine could join in on matters of air defense and the production of weaponry.

The round table meeting was attended by representatives of the Yeltsin administration, the Russian Federal Assembly and CIS Defense Ministries.

Baltic States' Trade Volume in May Reported

WS0407120394 Vilnius ELTA in English 2016 GMT 1 Jul 94

[From "News Bulletin" No. 534]

[Text] Vilnius, July 1, ELTA—Volume of trade in Lithuania is dropping down more rapidly than in other Baltic states.

According to the data published by the Statistics Department, in May only Latvia managed to sell more production than in April. In Estonia volume of trade decreased by 1.2 percent in a month's time, and in Lithuania—by 2.7 percent.

Retail commodity circulation went down in Lithuania mostly. If compared with April, in May retail commodity circulation decreased by 8.2 percent in Lithuania; in Latvia—by 0.4 percent, and it did not change in Estonia.

ITAR-TASS Carries Press Review for 2 Jul

LD0207081894 Moscow ITAR-TASS in English 0717 GMT 2 Jul 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow July 2 TASS—ROSSIYSKIYE VESTI on political results of the past six months:

"The most important thing is the beginning of a new stage of both economic and political transformation of Russian society and the Russian state."

Among serious decisions which are of strategic importance to Russia, the newspaper mentions "the policy line, which President Boris Yeltsin suggested to the parliament and society, to strengthen the Russian state, a social programme (basic orientations) adopted by the government in May, and a programme of action to combat crime".

"A good deal is yet to be done in this respect. It is essential to take measures to prevent the penetration of the state

machinery by organised crime, particularly corruption, which has permeated into state and municipal organisations.

"And still the very policy line towards legal strengthening of state power is basically correct. A larger part of the president's message on that score looks well-adjusted and purposeful".

KRASNAYA ZVEZDA (Red Star) on insufficient financing of naval strategic nuclear forces:

"The funding of Russia's naval strategic nuclear forces is untterly insufficient and accounts up to now for 22-25 per cent of their requirements.

"Whatever politicians say about the lack of probability of an outbreak of a nuclear war, it is simply criminal to keep 100 per cent of missile-carrying submarines at bases in order to simplify controlling them and to economise on expenditure on their maintenance."

Pointing out that the crews of Russian submarines diligently perform their duties, the newspaper emphasises that it will would not be superfluous for the authorities to show as diligent care for those who "keep Russia's naval missile shield".

KRASNAYA ZVEZDA carries an interview with Colonel-General Vladimir Nikitin, deputy commander-in-chief of Strategic Missile Forces. He dwells on the state of affairs in the forces as regards the maintenance of weapons.

"A system for the protection of nuclear missile weaponry was well adjusted way back during the rise of missile forces and has been continuously perfected ever since. Those who may conceive an evil intent would not succeed in their efforts," Nikitin said.

TRUD and other newspapers frontpage reports about a law, signed by Russian President Boris Yeltsin on Thursday, to raise the minimum wage rate by 40 per cent from July 1, this year. The minimum rate is set at 20,500 roubles a month. The law was passed by the State Duma and approved by the Federation Council at the end of June this year.

NEZAVISIMAYA GAZETA opens up with a report on Russian Foreign Minister Andrey Kozyrev's visit to Georgia and his meeting with Georgian leader Eduard Shevardnadze.

The newspaper quotes the minister as saying about the need to "contribute to strengthening positive moves that have been made during the efforts to settle the Georgian-Abkhazian conflict and rule out any conditions that can frustrate peacemaking processes".

NEZAVISIMAYA GAZETA gives prominence to a report that U.S. FBI director Louis Freeh arrives in Moscow on Saturday. The newspaper quotes FBI director as saying that the FBI is extremely worried at the unprecedentd growth of crime in Russia. Crime in Russia poses a direct threat to U.S. national security. According to Mr Freeh, there are now more than 4,000 gangs in Russia. They group more than 100,000 criminals. Gradually they begin to operate on American territory as well.

NOVAYA YEZHEDNEVNAYA GAZETA (New Daily Newspaper) runs an interview with Pakistani Foreign Minister Sardar Asif Ahmad Ali in connection with his forthcoming visit to Moscow on July 4.

"In recent years we have been watching with optimism that Moscow's policy with regard to South Asian states has become much more balanced than previously," Mr Ali said.

The minister said that when in Moscow he intends to discuss the development of situations in Tajikistan, Afghanistan and Bosnia. He reaffirmed Pakistan's intention to continue to render assistance in the release of Russian military men in Afghanistan.

SOVETSKAYA ROSSIYA runs forecasts for Ukrainian politicians on the eve of the presidential election run-off in Ukraine. It is pointed out that the incumbent president Leonid Kravchuk and ex- premier Leonid Kuchma stand "equal" chances to win the presidency. Kravchuk's win in the first round of elections is regarded as not very convincing by many Ukrainian politicians, the newspaper points out.

PRAVDA reports preparations in Byelorussia [Belarus] for the celebration of the day of the liberation of the country from Nazi invaders on July 3.

The newspaper strongly criticises those Russian politicians "who, when speaking about our people's victory in the Great Patriotic War, omit the word 'USSR', and emphasise that this is Russia's red-letter day."

"Yes, Russia and the Russian people made the main contribution to the victory. But still it was a victory won by the Soviet Union and the entire Soviet people," the newspaper points out.

ITAR-TASS Carries Press Review for 5 Jul

LD0507061694 Moscow ITAR-TASS in English 0452 GMT 5 Jul 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow July 5 TASS—NEZAVISIMAYA GAZETA writes that it has become known to it that "experts of the appropriate subdivision of the Federal Counter-intelligence Service (FCS) of Russia are prepared to help their Azerbaijani counterparts in exposing the terrorist act (the detonation of an explosive device in the Baku underground railway, as a result of which 7 people were killed and 29 heavily injured—note by ITAR-TASS).

"However, a certain procedure should be observed for that. To begin with, the FCS should receive an appropriate request from the secret service of this or that CIS state... According to existing information, no request to this effect has come from Azerbaijan secret services".

NEZAVISIMAYA GAZETA carries an interview with Ukrainian Foreign Minister Anatoliy Zlenko, who commented on the forthcoming Group-of-Seven summit, to be held in Naples on July 8-10.

"The G-7 summit will be a certain boundary which our country should cross. This is a kind of a pass by means of which Ukraine can open the door to the world community. To us, the G-7 summit in Naples is a political action which indicates that Ukraine is appreciated in the world primarily due to its consistent, weighed and prognosticated policy".

ROSSIYSKIYE VESTI on "crime" tax idea:

"The efforts to combat crime, or to be more exact, threats to fight crime have gone too far, it seems. The state, demonstrating to its citizens its 'will to fight crime' is even prepared to burden them with a new tax... A 'crime' tax is as nonsensical as the bachelor tax is inaccurate".

ROSSIYSKIYE VESTI runs an interview with President Igor Smirnov of the Dniester Republic, who stated as follows: "The talk about the 'rampage of banditry in Tiraspol' is conducted only by our opponents, such as some businessmen, who are indifferent to the destiny of the people and take care only for lining their pockets, passive people, including former party functionaries, who did not and do not help the republic in any way, the advocates of the 'romanisation' idea, and criminals who feel increasingly insecure..."

SOVETSKAYA ROSSIYA also interviewed Igor Smirnov, who emphasised: "Our conditions are utterly clear. In our statement we reaffirmed the status quo, that is, we seek the recognition of that state of things that has developed by now: We have state structures, Ministries of Defence, the Interior, and Security, border troops, the customs house, legislative and juridicial branches of power. Proceeding from this, we are prepared to proceed to rapprochement on a treaty basis".

TRUD on the Crimean issue:

"After a brief 'respite' Ukraine has again been overwhelmed with passions concerning the Crimean peninsula. This time emotions have been fired by he Crimean parliament decision to reinstate the constitution dated May 6, 1992. President Leonid Kravchuk of Ukraine reacted to that instantly and toughly. He stated that Ukraine would uphold its territorial integrity at all costs".

KRASNAYA ZVEZDA (RED STAR) runs a statement by Federation Council Speaker Vladimir Shumeyko who said that the main aim of his visit to the Northern Fleet "was to get acquainted with the Northern Fleet and with enterprises that create its combat potential".

Shumeyko's opinion is that "the state should not just help but provide the fleet and the army with all essentials so that they could remain its mainstays and guarantors of sovereignty".

RABOCHAYA TRIBUNA carries a message by the forum "for a new accord" to the peoples, parliaments and heads of states. The message reads in particular as follows: "We support a Eurasian Union project, worked out by President Nursultan Nazarabayev of Kazakhstan, and call on parties and public organisations to help popularise it on a large scale and urge the heads of state to regard it from the position of their peoples' interests".

SOVETSKAYA ROSSIYA carries an article by Valentin Fyodorov, former governor of Sakhalin, who is now vice-president of the Russian Union of Industrialists and Entrepreneurs.

"What kind of an economic war according to rules can there be if the Russian economy has lost its efficiency over the recent period, plunging to the tenth place in gross domestic product?"

PRAVDA runs a letter by the council of directors of metallurgical-sector enterprises to the Russian Government.

"As production managers and practicians, we know how to take the sector out of the crisis and we do not demand subsidies or credits from the state—metallurgical workers can earn the necessary funds and find investors.

"If we speak about the need for state support, we mean, first of all, the exercise of the state function to create fair conditions for the operation of all sectors within an economy which undergoes reforming", the letter said, in particular.

Reportage on FBI Director Freeh's Moscow Visit

ITAR-TASS Reports Schedule

LD0207061094 Moscow ITAR-TASS in English 0545 GMT 2 Jul 94

[By ITAR-TASS correspondent Olga Semyonova]

[Text] Moscow July 2 TASS—Louis Freeh, director of the U.S. Federal Bureau of Investigation (FBI), arrives in Moscow tonight for an official visit at the invitation of Russian Minister of the Interior Viktor Yerin.

The first full day of his stay in Moscow, which is Sunday [3 July], will be taken up by a cultural programme. Louis Freeh will visit the Kremlin and the city of Sergiev Posad. Aside from it, he will meet U.S. business people and journalists working in the Russian capital.

The working programme of the FBI director is going to be extremely strenuous. It includes his meeting with Interior Minister Yerin, talks at the Interior Ministry about the struggle against organised crime, terrorism and drug trafficking, meetings with acting Prosecutor-General Aleksey Ilyushenko, Minister of Justice Yuriy Kalmykov, Director of the Federal Counterintelligence Service Sergey Stepashin, Assistant to the President for National Security Affairs Yuriy Baturin and First Deputy Chairman of the Russian Government Oleg Soskovets. It is expected that he will speak before representatives of law-enforcement agencies at the Interior Ministry Academy and will visit the Interior Ministry department of Moscow and the Moscow region. A final protocol was [as received] signed, and a press conference will be held at the end of the visit.

Louis Freeh, 44, is a specialist in criminal law. He has been working for FBI since 1975. Between 1981 and 1989 Louis Free worked as an assistant prosecutor, deputy prosecutor and, finally, federal district prosecutor in New York. He became famous after the investigation of activities of underground crime groups at that time. In 1987 he headed a group of investigation officers who handled the case codenamed "contacts through the pizzeria." working on the case, Freeh and his colleagues managed to uncover joint operations of U.S. gangsters and the Sicilian mafia for the transportation of heroin worth one billion dollars. Thanks to their efforts, 16 out of the 17 defendants were convicted. In 1990 Freeh headed the investigation into the murder of a member of the District Court of Appeal in Alabama, who was killed by the explosion of a bomb mailed to him, as well as a number of other crimes that were given much publicity.

On August 6, 1993, the U.S. Senate approved President Clinton's appointment of Louis Freeh to the post of FBI director.

Louis Freeh is married and has four sons. His wife Marilyn also worked for the FBI some time ago. During his spare time, which does not happen too often, he likes to read historic and biographic novels and practices jogging.

Freeh Issues Warning on Nuclear Thefts

LD0307205594 Moscow ITAR-TASS in English 2011 GMT 3 Jul 94

[By ITAR-TASS]

[Text] Moscow July 3 TASS—We closely cooperate with Russian agencies combatting terrorism, the head of the U.S. Federal Bureau of Investigation (FBI) said in an exclusive interview with the Itogi TV news programme on Sunday night.

FBI Director Louis Freeh arrived in Moscow on Saturday as part of a Central and East European tour. On Monday, he will open the FBI's first office under the U.S. embassy in Moscow.

Freeh said one of the FBI main activities was to fight smuggling into the United States of nuclear materials stolen in Russia and other former Soviet republics.

He repeated a warning first made in the U.S. that there was a threat of large-scale theft of nuclear materials inside Russia. He said the FBI was closely watching movement of nuclear materials outside the country to avoid what could be a nuclear disaster for people around the world, including in the United States.

However, Freeh admitted that he had no firm evidence to support these fears. The FBI chief conceded no significant cases had yet come to light, but he cited the finding of some enriched weapons- grade Uranium in Germany as indicative of a very serious threat.

Freeh also pledged to help the Russians combat growing organized crime. We informed Russian authorities about money flowing from the United States to be laundered in Russia, he said. He believes American organized gangs are also penetrating into Russia. Thus, the FBI has information that a huge Latin American drug cartel is now planning an operation to funnel a big drug consignment into the Russian and East European markets, Freeh reported.

Seeks Joint Anticrime Effort

LD0407101094 Moscow ITAR-TASS in English 0946 GMT 4 Jul 94

[By ITAR-TASS correspondent Olga Solodova]

[Text] Moscow July 4 TASS—FBI Director Louis Freeh expressed hope on Monday that his agency would establish better contacts with Russian colleagues in fighting organised crime, especially in economic matters.

Meeting Russian Acting Prosecutor General Aleksey Ilyushenko, Freeh said it is necessary to sign a corresponding agreement between Russia and the United States which would promote joint anti-crime fight and would envisage an exchange of information, including in the banking business.

Ilyushneko also backed the idea saying his office is ready to immediately get down to drafting such an agreement and have it signed in the near future.

"We have already concluded agreements on mutual assistance with all former Soviet republics and many foreign countries. And we hope to conclude an agreement with the United States on mutual assistance in investigating criminal cases. It would help extradite criminals and expose economic crimes", Ilyushenko told Freeh.

Holds Talks With Baturin

LD0407204194 Moscow ITAR-TASS in English 1947 GMT 4 Jul 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow July 4 TASS—Russian president's security adviser Yuriy Baturin and visiting FBI Director Louis Freeh called for signing an agreement on mutual legal assistance.

In an interview with ITAR-TASS after the meeting, Baturin said that he and Freeh agreed, without an interpreter, that such an agreement between Russian and American law enforcement bodies should be based on a "parity and symmetrical" basis. The agreement should also provide for the representation of Russian law enforcement bodies in the United States and their American colleagues in Russia.

Freeh was supposed to inaugurate an FBI office in Moscow today. However, the ceremony has been postponed after it turned out that the U.S. Embassy has no room for it, an embassy official who asked not to be named told ITAR-TASS.

The official said that Freeh may bring up this question at a news conference on Tuesday. Freeh is in Moscow on an official visit at the invitation of Russian Interior Minister Viktor Yerin.

Freeh informed Baturin that he offered Yerin to send several officers to the United States to work out the technicalities of opening an office in America.

Baturin brushed off as far-fetched allegations that the Russian mafia has access to nuclear technologies, adding that the press overdramatises the situation. Baturin noted that this issue was not discussed with Freeh.

He believes that instead more attention must be paid to the threat of nuclear terrorism that may hit the planet in the beginning of the next century. He stressed that working contacts between Russia and American law enforcement bodies will help fighting crime and terrorism in the two countries and elsewhere.

Cancels Meeting With Justice Minister

LD0407105894 Moscow ITAR-TASS in English 1038 GMT 4 Jul 94

[By ITAR-TASS correspondent Andrey Kulikov]

[Text] Moscow July 4 TASS—FBI Director Louis Freeh cancelled a planned meeting with Russian Justice Minister Yuriy Kalmykov on Monday. The reasons of the cancellation which occurred 20 minutes before the scheduled meeting time were not announced.

In the meantime, Freeh, who met the Russian prosecutor general and the interior minister on Monday, praised Russian authorities for quickly recognising the existence of organised crime in the country.

In contrast to the United States where the FBI needed over 50 years to have it recognised that organised crime exists in the country, the Russian Government acknowledged the importance of the problem and began to work towards its solution, Freeh said after the meetings.

He played down Russian fears that the latest presidential anti- crime decree might result in massive human rights violations. The FBI chief said the decree, according to him, maintains a reasonbale balance of provisions giving new powers to police and those ensuring human rights.

Apologizes for Broken Appointment

LD0507091494 Moscow ITAR-TASS in English 0846 GMT 5 Jul 94

[By CRIME-PRESS correpsondent Olga Semenova]

[Text] Moscow July 5 TASS—FBI director Louis Freeh phoned to Russia's acting justice minister Vladimir Kuznetsov on Tuesday morning, apologising for breaking Monday's appointment, according to an informed source.

Mr Freeh said he did not cancel the meeting with the acting minister of justice. The appointment was broken due to a too busy schedule.

Holds News Conference at Lubyanka Jail

LD0407140594 Moscow Russian Television Network in Russian 1200 GMT 4 Jul 94

[Summary] FBI Chief Louis Freeh gave a news conference in the Lubyanka [prison] on the results of the first meeting between the U.S. and Russian special services. Sergey Stepashin, head of the Federal Counterintelligence Service, said that a either a separate cooperation agreement will be signed between the special services or it will be a part of the agreement between Russian Ministry of Internal Affairs and the FBI which is expected to be signed tomorrow. He also gave Mr. Freeh a list of six criminals that are under investigation by the Russian counterintelligence.

Holds Internal Affairs Ministry Talks

LD0407140394 Moscow ITAR-TASS World Service in Russian 1226 GMT 4 Jul 94

[Text] Moscow, 4 Jul (ITAR-TASS)—Talks were held at the Russian Federation Ministry of Internal Affairs today with an interdepartmental delegation of high-ranking officials from U.S. law enforcement agencies, headed by Louis J. Freeh, director of the FBI, who are visiting Moscow at the invitation of Viktor Yerin, Russian Federation minister of internal affairs.

According to the ministry's press service, the importance of meetings between representatives of the Russian Ministry of Internal Affairs and the FBI that were held during 1993-94 was stressed during the talks. The two sides

expressed concern at the increase in international organized crime. The participants in the talks noted the need to exchange information about the activities of organized criminal groups involved in illegal drugs trafficking and certain other types of crime. They concluded that law enforcement agencies in both states should pool and coordinate their work to curb the activities of international organized crime groups and to expose and investigate their crimes.

They also resolved the issue of opening an FBI office in Moscow, and an office of the Russian Federation Ministry of Interior in the Russian Embassy in Washington.

Also today, the following meetings were held in the Russian Federation Ministry of Interior: Mikhail Serdyuk, deputy head of the main crime prevention administration of the Russian Federation Ministry of Interior with Ronald Noble, undersecretary for enforcement in the Treasury Department and U.S. Secret Service Director Eljay Bowron; Aleksandr Sergeyev, head of department for drugs trafficking of the Russian Federation Ministry of Interior with Eleonore J. Hill, chief counsel of the permanent subcommittee on investigations of the U.S. Senate, and Robert Gelbard, assistant secretary of state for international narcotic matters.

Meets With Soskovets

LD0507095094 Moscow ITAR-TASS in English 0914 GMT 5 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow July 5 TASS—Director of the U.S. Federal Bureau of Investigations Louis Freeh changed his initial idea about the Russian president's decree on organised crime in a positive way as a result of his trip to Russia, the chief of U.S. counterintelligence admitted at a meeting with Russian First Vice- Premier Oleg Soskovets here on Tuesday.

The reading of newspaper articles about measures adopted by Russia to fight the underworld, sometimes of emergency nature, does not give a correct professional understanding that the decree signed by Boris Yeltsin contains many measures protecting the constitutional rights of Russian citizens, the director continued.

Freeh also pointed to the rapid appearance of the decree, which is in line with the kaleidoscopically changing situation in Russia, noting in this connection that it took ten years for the U.S. Congress to adopt a similar law.

The FBI director gave a high appraisal of his trip to Russia to establish efficient cooperation between Russian and U.S. secret services in the struggle against organised crime which oversteps national borders.

He said about a memorandum of cooperation in this sphere between the Russian and U.S. government organisations to be signed later in the day. [sentence as received]

The FBI and Russian secret services will exchange in future data banks, witnesses' testimonies and information on criminal cases of mutual interest. Freeh invited Russian officers to undergo practical training at the FBI academy and even to work at the federal bureau on a temporary basis as full-fledged American agents but under dual management.

Two FBI officers will also officially operate in Moscow from now on. Their permanent office will be at the U.S. Embassy building. Freeh noted that one of their tasks will be to expose American businessmen who try to invest or to earn "dirty money" in Russia.

The director suggested that a permanent channel be established for cooperation between Russian and U.S. secret services. "Our country has," he said, "the international division at the U.S. justice department. If Russia sets up a similar division, we could cooperate permanently and directly."

Confers With Procurator General

LD0407092694 Moscow 2x2 Television in Russian 0830 GMT 4 Jul 94

[Text] Russia's Acting Procurator General Aleksey Ilyushenko today met FBI Director Louis Freeh, who arrived in Moscow recently, at the procuracy general. They talked about the necessity to intensify the fight against organized crime and the drug business, and issues of combining efforts in this area.

Meets With Counterintelligence Chief

LD0407081994 Moscow ITAR-TASS World Service in Russian 0732 GMT 4 Jul 94

[By ITAR-TASS correspondent]

[Text] Moscow, 4 Jul—The FBI will open its office in Moscow today. It will be opened by FBI Director Louis Freeh. The American guest will also meet heads of Russian law enforcement bodies.

Sergey Stepashin, head of the Federal Counterintelligence Service, commenting on the aims of Louis Freeh's visit to Moscow, told ITAR-TASS that the FBI director is concerned that the Russian mafia may have access to nuclear technologies. Stepashin denies such a possibility. He intends to request from his American colleague any documents or information substantiating the danger of nuclear terrorism in Russia—otherwise the Russian opposition may interpret the FBI interest to this problem as a desire to establish U.S. control over nuclear facilities based in the Russian Federation.

Ostensibly, the American side has not offered the Russian Federation Counterintelligence Service the opportunity to open an office in the United States. According to Sergey Stepashin, such agreement has been achieved only with Germany, France, the Czech Republic, and Poland.

Stepashin Comments on Talks

LD0407142494 Moscow INTERFAX in English 1306 GMT 4 Jul 940

[Text] The Director of the Russian Federal Counterintelligence Service Sergey Stepashin has handed the Director

of the U.S. Federal Bureau of Investigations Louis Freeh a list of six Russian criminals staying in the U.S. and wanted by Russian special services.

Stepashin announced this in Moscow after his Monday meeting with Freeh. He said the sides discussed efforts to combat organized crime, drug trade and nuclear terrorism. The American official confirmed his interest in cooperating with the Russian Federal Counterintelligence Service.

Stepashin thinks that such cooperation is possible either on the basis of a separate agreement which his service could sign with the FBI in the future or in the framework of an agreement between the FBI and the Russian Interior Ministry.

Freeh spoke for uniting the efforts of the special services of the two countries to better combat crime. To this Stepashin remarked that the two services have already combined efforts and added: "United we stand, divided we fall."

ITAR-TASS Reports Opening of FBI Mission Cancelled

LD0407142394 Moscow ITAR-TASS World Service in Russian 1338 GMT 4 Jul 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 4 Jul (ITAR-TASS)—There are at present no special premises for an FBI representation in the U.S. Embassy in Moscow, and the ceremonial opening of the representation could not be held today. The ITAR-TASS correspondent learned this in a conversation with a member of the embassy staff, who asked not to be identified. In his words the issue may be raised at tomorrow's news conference to be given by FBI Director Louis Freeh, who is paying an official visit to Moscow at the invitation of Russian Federation Interior Minister Viktor Yerin.

Earlier reports said the opening of the FBI representation at the U.S. Embassy in Moscow, which was timed to take place on the occasion of the U.S. national holiday, Independence Day, would be the centerpiece of L. Freeh's Moscow visit.

Paper Cites Topics of FBI Director's Visit

PM0407154194 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 94 p 1

[Report by Vladimir Klimov: "Common Concerns with FBI"]

[Text] Immediately after his arrival in Moscow, FBI Director Louis Freeh admitted that the Russian mafia are a real headache for the U.S. law enforcement agencies. In the first place they, along with the Italian and South American mafias, are actively involved in the supply of narcotics—cocaine and heroin—to the United States. Second, the Russian criminals have evaded gasoline sales tax running into millions of dollars. But their most serious crimes are linked to medical insurance.

In short, the FBI director had plenty to discuss with his Russian colleagues. Hence it is understandable that his day was full of visits yesterday. They included a meeting with Foreign Minister Andrey Kozyrev and Federal Counterintelligence Service Director Sergey Stepashin. But one of the first visits was to the Russian Federation General Prosecutor's Office.

A. Ilyushenko described the Russian Prosecutor's Office's joint operations with analogous structures from other states and stressed that in this regard great hopes are pinned on the agreements with the U.S. law enforcement agencies.

TV Program on Aspects of Freeh Visit

LD0407222594

[Editorial report] Moscow Russian Television Network in Russian at 1625 GMT on 4 July carries a 10-minute "Details" program in which, over video of official meetings and press conferences, anchorman Sergey Dorenko speaks about the goals and implications of FBI Director Louis Freeh's visit to Russia. Dorenko mentions that the FBI will open an office in the U.S. Embassy in Moscow, hints at rumors of links already existing between the Russian Interior Ministry and the FBI, reviews the extent of Russian criminal penetration of the American underworld, and outlines Louis Freeh's career profile.

Turning to the problem of crime and nuclear security, Dorenko says that "the FBI was going to help us to keep nuclear components and nuclear technology out of the reach of our bandits. This is something Louis Freeh mentioned several times at different meetings today. Russian state bodies are skeptical about American worries. Sergey Stepashin said today that if the American fails to produce documents and continues with his efforts based on conjectures, the Russian opposition will be able to accuse U.S. bodies of an attempt to seize control of Russian nuclear installations. Honestly speaking, these attempts to impose upon us their help in controlling nuclear sites are so vigorous that not only the opposition, perhaps, will be able to make such accusations."

Dorenko says that at 1500 today Louis Freeh met Yuriy Baturin, presidential aide on national security. After the American left we asked Yuriy Baturin why the Americans are so keen to protect their interests on our territory."

The video then cuts to an interview with Yuriy Baturin who says that "the Americans protect not only U.S. interests but also those of the civilized part of society and the international community against the criminal community. Considering that the criminal community has become international, joint efforts to combat it are necessary. That is all."

Asked about whether, as a result, Americans will get access to Russian secret information on nuclear components and technologies, Baturin replies that "we said to FBI Director Freeh today that an accord on mutual legal assistance should be signed. This accord should cover quite a wide range of issues, including information exchange. If we

speak about exchange of information, then naturally information should be provided on a parity basis, regarding cases which are investigated jointly. As to access to secrets, this is a domain of special services. Whether access is given or not depends, first of all, on the professionalism of the U.S. side and, second, on that of our counterintelligence officers. I believe that all this can be done in such a way that none of our secrets is leaked abroad."

In conclusion Dorenko cites some perils associated with joint U.S.-Russian anti-crime work.

FBI Chief's Message to Militia Stresses Human Rights

MK0507090394 Moscow KOMMERSANT-DAILY in Russian 5 Jul 94 p 1

[International Affairs Department boxed commentary accompanying omitted Svetlana Serkova report: "Militia Officers Receive Awards, FBI Chief Receives a File"]

[Text] FBI Director Louis Freeh's visit is noteworthy at least because it is the first visit to Russia by a chief of American detectives in the history of the bureau, which was set up by the legendary J. Edgar Hoover in the 1920's. Still, the most important event in the area of international cooperation between Russian "Pinkertons" and their foreign counterparts has already taken place—Russia has concluded an agreement with Interpol.

In Russia, the FBI is concerned primarily by two problems: the illicit diversion of radioactive materials, and the mafia. The first problem has been raised by the United States at the highest level ever since the USSR's breakup. Russian gangsterism has joined the list of Washington's worries only recently. The thesis about "the Russian mafia" (even though it does pose a threat, just as the coalescence between the Russian, Italian, and Latin American mafias) could produce serious political reverberations in America and have an impact on the entire framework of bilateral relations. With regard to the mafia, the FBI is concerned by such problems as drug trafficking (as a matter of fact, Mr. Freeh has already discussed this problem in Ukraine, which he considers even more "transparent" for the narcotics trade) and illegal money laundering. The second problem will come to the attention not only of Russia and the United States, but also of the Group of Seven, at whose initiative an appropriate group has already been set up. At the summit in Naples, Moscow will raise the question of its joining the group.

The FBI chief's visit is also remarkable for another reason: it is taking place at a time when passions are running high over Yeltsin's controversial (from the Constitutional point of view) edict on the struggle against gangsterism. In that regard, an opinion has been gaining ground in the Russian Internal Affairs Ministry and the Federal Counterintelligence Service that because of the threat posed by the "Russian mafia," the West is ready to turn a blind eye to accompanying human rights violations. Mr. Freeh has made it clear that this is a misconception, saying that his bureau will assist the Russian militia "in setting up a democratic police force" and helping it maintain "a fragile balance between effective work and respect for human rights."

IZVESTIYA Reports Clinton G-7 Interview

PM0407174194 Moscow IZVESTIYA in Russian 5 Jul 94 p 1

[Report by Vladimir Nadein on U.S. President Bill Clinton's news conference for the Washington correspondents of newspapers of the G-7 countries, followed by preview of Naples summit: "The Peoples of the Former USSR Have the Right To Unite Again If They Strongly Desire To Do So. U.S. President Replies To IZVESTIYA Correspondent's Question"]

[Text] Washington—Unlike many U.S. political scientists, the U.S. President sees no misfortunes for mankind in various former Soviet republics' deciding to reunite. "That depends on the extent to which such a decision is made on a truly voluntary basis and is the will of the majority of the nations," Bill Clinton said in reply to a question from IZVESTIYA correspondent Vladimir Nadein.

As If the War Had Never Happened

The White House press office invited a number of Washington correspondents—one from each country participating in the G-7 meeting in Naples—to take part in this interview. Russia was represented by IZVESTIYA's correspondent. Bill Clinton assigned half an hour to reply to the questions—one from each newspaper.

IZVESTIYA's question runs as follows:

"Mr. President, the first stop in your forthcoming tour of Europe will be in Riga, and this is bound to be a sincere and joyous celebration of independence. Many Balts, like many Russians, were humiliated by the Molotov-Ribbentrop Pact. Many people in Russia are glad that these countries have obtained independence. But recent events in some former Soviet republics, especially the presidential elections in Ukraine and Belorussia [Belarus], indicate that very many people support closer cooperation with Russia. Can you imagine any version of democratic and lawful reunification of some of the former Soviet republics—nowadays new independent states—such as would presents no threat to either the Central European states, the Baltic countries, or the national interests of the United States and the whole world?

[Clinton] I think that that depends on to what extent such a decision is made on a truly voluntary basis and reflects the will of the majority of people. I was in Belorussia. I have also been in Ukraine, although not for very long. It is a very big country, and there are many different strata and opinions there. But I think that everything depends on whether such a movement develops into a movement that is truly democratic, whether it reflects the free will of the people that participate in it.

I must say how much, from my point of view, the policy being carried out by President Yeltsin in the Baltic region

is extremely encouraging. Russian troops have left Lithuania; matters in Latvia are very close to resolution. A few problems remain in Estonia. The United States energetically supports the rights of the Russians who remain in the Baltic region, and the rights of national minorities as a whole. This is a very serious program for us and for our country, indeed for the entire world.

In my view, feelings in Central and East Europe concerning Russia's intentions are, all the signs suggest, more positive than was the case only six months ago. And Russia's consistency in continuing the withdrawal of its troops from the Baltic is the main reason for this. Therefore, if a truly independent political development arises in Belorussia, for example, whereby that country declares that it would be better off having a somewhat different relationship with Russia, I think that everything depends on what really happens. The peoples of Central and East Europe will sense how natural, honest, and democratic those intentions are. And that is the crux of the matter. [Clinton ends]

Russia Remains Russia

Next Saturday morning in Naples' Palazzo Reale the G-7 leaders will be discussing economic problems. In the evening the Italian president is to give a government dinner in the same building—for the G-7 leaders and for Russian President Boris Yeltsin.

This dinner is like a bridge between the economic half of the meeting on Saturday and the political half on Sunday.

Probably, the strict sticklers for detail who claim that there will be nothing for the Russian president to do in the Palazzo Reale on Saturday are correct. Unlike at the previous meeting in Tokyo, he will not be asking for money on this occasion. (And if he did, he would not get any.) To discuss the problems of balanced trade exchange or to demand that the U.S. Administration support its plunging dollar is not our concern. At least, not yet.

Replying to other questions concerning important political problems (for example, nuclear inspection in North Korea), Bill Clinton expressed his opinion, with varying degrees of detail, on the indispensability of Russia's positive participation in settling conflicts. This helps to clarify why the meeting with President Yeltsin will be the last meeting in the Hotel Vesuvio, where the U.S. leader is to stay. No eruptions are foreseen, but the reasons why the administration is retaining its Russian priorities become obvious.

Invitation To Visit Leaders

From Naples Bill Clinton will fly to Bonn, where he is to have talks not only with FRG Chancellor Helmut Kohl but also with a number of political figures who could soon be the successors to that leader of many years' standing. Participation in the ceremony marking the withdrawal of the last U.S. brigade from Berlin—strictly speaking, a unit of the occupation—will be the concluding part of a process which found reflection in the question put by German correspondent Kurt Kiester: "Germany is more or less developing into a kind of leader of Europe. On the other hand, very many people in Germany are very reluctant to envisage such a role for our country. What are your wishes for, and your conception of, Germany in the future? Will it become the European leader? And do you propose to offer it partnership in leadership, as your predecessor Bush did?

Bill Clinton answered that his country's partnership with Germany is "very good." In his opinion, the present administration has "given stronger support to European unity than the previous one did, and it has strengthened European defense potential and unity within Europe."

However, as far as a greater or lesser degree of European leadership is concerned, "Germany must determine its own role itself," the U.S. President said. "That is not the United States' business. Although I do not see how Germany will manage to avoid the role of leader. You have managed to absorb the East (part of Germany—Ed.), and you have managed to preserve a strong economy. Despite these unbelievable needs, you are playing a very constructive role in the activity of the United Nations. I therefore believe that you have no choice but to play a leader's role. I believe that there are simply no options whereby Germany would not play the leading role. You will not be able to avoid your responsibility. Even if you wanted to, the vacuum which would be created would demand that you returned and continue to move ahead."

At the same time, the U.S. President showed clearly that he does not have in mind one country having the leadership and trampling on the others. Rather, this means a division of responsibility, and an invitation to cooperation in leading the world. "However, such relations will be developed in Europe itself," Bill Clinton said. "France, for example, has recently played a very strong role together with Great Britain in Bosnia, providing a lot of troops for the UN forces. The Canadians have made a considerable contribution. France has recently undertaken an initiative by proceeding into Rwanda, and the United States has supported the United Nations in giving France the right to send in its military until we can gather together and send in African, that is UN troops."

Dollar, Yen, Salmon

The U.S. President spoke quite confidently and optimistically about the probability of solving political problems, including the problem of the nuclear inspection in North Korea, on condition that cooperation between the United States, Russia, Japan, and China continues.

When the interview turned to strictly economic problems, his optimism was considerably more modest, and what he said was far more careful and restrained. It was evident that Saturday's meetings within the G-7 group, even before the Russian president joins them, worry him most of all, and differences in the strictly economic sphere are, unlike in Cold War times, tending to overshadow the politics and move into the foreground in terms of confusion and conflict.

However, the U.S. President makes a fairly high assessment of his country's stance ahead of the Naples meeting: "We had been swelling our government deficit over a period of 12 years. But we have decided to change our policy so that the American economy becomes stronger within the world economy and so that things get better for the ordinary American. We have cut hundreds of billions of dollars in government expenditure. We have reduced and are continuing to reduce the number of government employees—by 12.5 percent—in order to make their total number the smallest it has been for three decades. We are channeling investments into spheres of economic growth such as education, personnel training, and technology. And we are making some tax concessions to small-scale business, new businesses, and low-paid workers.

"All this has resulted in the fact that now, as I depart for the G-7 meeting, for at least 18 months now the United States has accounted for 40 percent of the GNP of all the G-7 countries. We have accounted for over 75 percent of the growth and almost 100 percent of the new jobs. Our export and our level of investment are growing faster than the G-7 average. Our labor productivity level is growing more quickly than in these countries."

This favorable information did not, however, make it obvious what methods the United States intends to use to solve the alarming economic conflicts.

A Canadian journalist raised questions concerning trade in grain, timber, and salmon—there are serious differences between these two major world trade partners, the United States and Canada, on all of these problems. Bill Clinton acknowledged how profound they are, expressing the hope that mutual understanding between the two governments will make it possible to solve these problems, although "farmers in North Dakota are quite simply constantly on the verge of a nervous breakdown" because they are being treated dishonestly (by the Canadians), who are using government subsidies in the competitive struggle.

Some new concrete information could be obtained from the president's answers about a problem which will almost certainly dominate the Naples conference—the dollar, which is getting weaker against the yen, and the U.S. Government's intention to back up its currency, on which the entire world transaction system is based.

Asked whether he believes that a weak dollar could be a good thing for the American economy—for foreign trade reasons, for example—the President said:

"The United States is not trying to achieve economic growth with the help of a weak dollar."

"However," he added a little later, "markets do take their own market realities into consideration." However, he did not support the idea of government intervention to artificially back up the dollar, elucidating in various ways the idea that only a strong economy can ultimately be the basis for a strong currency.

The President did not broach problems of financial aid to Russia and other countries of the former Soviet Union. In a number of briefings on the eve of this interview his aides had spoken of an intention to support market reforms but had made it clear that U.S. potential is exhausted for the immediate future—evidently until the presidential election is over.

Kozyrev, Grachev Appeal for Joint Army Exercise

LD0407174794 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 4 Jul 94

[Text] Our station has learned that Foreign Minister Andrey Kozyrev and Defense Minister Pavel Grachev have sent a joint letter to the State Duma, appealing to deputies to support the joint Russian-U.S. exercises called Peace-keeper 94 at the Totskoye test range. The ministers express hope that the exercises will take place after all, and preferably in the first half of September. The letter states that the Americans are studying the possibility of holding the exercises in the United States, and that they are willing to transfer Russian servicemen and equipment there. However, the Russian side will still have to spend about $3 million, whereas exercises at Totskoye test range will cost 60 times less.

Today the State Duma Defense Committee decided to visit Orenburg oblast on 16-17 July in order to assess the situation around the Totskoye test range and to consider the possible consequences of the Russian-U.S. exercises.

Let me remind you that Zlotnikova, the Orenburg oblast deputy, has spoken against the exercises, and claimed that there was a sharply negative local reaction to them because of possible ecological damage.

Kozyrev on Advantages of Joining Partnership for Peace

LD0207214294 Moscow Radio Rossii Network in Russian 1419 GMT 2 Jul 94

[Text] [Announcer] In June-July Russia will carry out a number of serious moves in the international sphere. A protocol on the Partnership for Peace program and an agreement on partnership and cooperation with the EC were signed, and in a week's time Boris Yeltsin will participate in a G-7 meeting. What is the reason for these actions, and what goal are they aiming at? Russian Foreign Minister Andrey Kozyrev talks of these matters in our program.

[Begin Kozyrev recording] The main thing is that a process of partnership between Russia and the West is developing consistently, though not without obstacles. It is not a merging, it is not blind love, as some people think, but it is also not confrontation, which we had and to which certain people are calling us to return to. The issue at hand is partnership, which implies a basic liking, and that in principle we have nothing to quarrel over.

By the way, we have never been at war with these countries, with NATO, and we also have never been at war with the EC. So, in principle, we do not have any problems. But we do have certain difficulties, first of all, in being listened to and in us learning to listen to others. Up to now we have

been on different sides of the ideological barricades and we deafened each other with awful shouting. We are not used to listening to each other and reckoning with each other. So this process of, let us say, self-criticism is a sufficiently new one both for us and our partners as well, as they were used to confrontation with the former Soviet Union, or, so to speak, with Moscow. Now it seems we should be friends, and friendship means that if the partner does not agree with you his stand must be taken into consideration. One cannot say that that is an easy thing. That is, partnership can maybe prove even more complicated than confrontation. But it is more advantageous, of course.

Take the agreement with EC that Boris Nikolayevich [Yeltsin] signed. At first it seemed that, well, if we are friends and partners, Russia should be allowed to participate in economic cooperation. But actually there are great interests involved here, because they have been used to dealing without the Soviet Union, and, of course, very powerful financial and industrial groups say now that for you they are political partners, but for us they are economic competitors. We [Russia] have already crammed the whole of Europe chock-full with aluminum alone, and can cram it full at one go. Who wants to be crowded in the market? Whereas here, begging your pardon, we have an elephant that can push any competitor out of the market, and push him out completely. Naturally, these people do not like this situation. That is why when we say that they do not want to let us in, of course they don't, because there are perfectly real interests. These are not ideological interests, as our Communists and the so-called patriots assert.

An agreement, but what about? About the fact that discrimination barriers have been removed and opportunities for equal competition have been created. But competition will continue. It does not mean that we can come and say: We are partners we are friends, and that is all. Our place in the market is secured, now provide buyers for our commodities. This is only the beginning of competition, it creates conditions for our economic revival, for the fact that we can enter into the market now. Not to ask for aid as in the times of Gorbachev, but to earn money and create conditions. That is the meaning of the agreement signed by the president in Corfu. It allows industrialists, the industry, the state, and state corporations, including banks, to fight for a place in the common European market, a huge market. Of course, it is a civilized market, of course, it is a profitable market for us. It is believed that a partnership with NATO will be economically disadvantageous for us. Actually, it is quite the opposite. If we are NATO's partners we can raise questions, and we have already begun to raise questions concerning the fact that a plane of the next generation is being built. France, Germany, and the United States are fighting to get it, and we will fight to get it. But just imagine the market! It is a market of the leading world states that possess real money. These are not like our former allies, the so-called revolutionary regimes, which were broke, really broke. Politics can either create insurmountable barriers...well, what does the opposition propose we should do? The opposition proposes that we should implement a policy of, basically, new confrontation with the West, which will of course lead to tougher economical barriers, not to a breaking down of them. Or politics can set up favorable political conditions, when one can say to the same corporations: Hold on, do you want us as a government, as a state to discriminate against Russians, against Moscow? [end recording]

[Announcer] According to Andrey Kozyrev, it is precisely this, the creation of favorable political conditions for a mutually advantageous political partnership of Russia with the West, that is the point of the future participation of Boris Yeltsin in the meeting of the G-7 leaders in Naples. But we will discuss this another time.

Kozyrev Views on Upcoming Geneva Talks on Bosnia

LD0407185594 Moscow ITAR-TASS World Service in Russian 1725 GMT 4 Jul 94

[by ITAR-TASS displomatic correspondent Aleksandr Fedoseyev]

[Text] Moscow, 4 Jul—The logic of political compromise must be set in opposition to the escalation of military action in Bosnia and new NATO airstrikes and to the logic of sliding toward war in the centre of Europe and of confrontation between the superpowers. This is the point of the second ministerial meeting between the heads of the foreign policy departments of Russia, the United States, Great Britain, France, and the European Union "three" which is to take place in Geneva as a result of a Russian intiative. Russian Federation Foreign Minister Andrey Kozyrev stated this before his departure for Switzerland today.

According to him, it is extremely important to unite the efforts of the world community in drawing up joint proposals on the settlement of the Bosnian conflict and to encourage the warring sides to accept the "peace ultimatum" and to compromise, even if this is very difficult for them.

A map showing the territorial division of Bosnia-Herzegovina and a set of "incentive and punitive" measures which are currently being discussed will be the subject of the talks. The map exists, but so far in preliminary form only. A final version of it will be presented to the parties in conflict only after the Geneva meeting, however their reactions at present look equally negative. And although many people see this as "an indication that the whole business is doomed," the Russian minister is of a different opinion. According to him, the whole point of compromise is that the parties should be equally satisfied or dissatisfied with the proposal put forward. Thus, he added, "we have a normal reaction from the parties who, naturally, still wish to haggle and put forward demands of their own."

Those taking part in the Geneva meeting, the Russian minister continued, do not intend dotting all the "i's" and will evidently give the parties some time to think over the situation, but not to put forward absurd or excessive proposals. Otherwise, this would inevitably lead to a new spiral of confrontation which would threaten to draw the

superpowers into the conflict, as happened 80 years ago in the Balkans. The main thing, A. Kozyrev stressed, is not to allow a split between those taking part in the forthcoming talks in Geneva.

'Shock Therapy' To Be Next Step

LD0507085894 Moscow ITAR-TASS in English 0745 GMT 5 Jul 94

[By ITAR-TASS correspondents Dmitriy Gorokhov and Konstantin Pribytkov]

[Text] Geneva July 5 TASS—Talks on Bosnia will be tough, Russian Foreign Minister Andrey Kozyrev and his deputy Vitaliy Churkin told journalists here on Tuesday. They will participate in a ministerial meeting of Russia, the United States and the European Union countries in Geneva on Tuesday.

The minister and his deputy described tasks of the talks to be held at the Russian mission to the U.N. European branch. They called journalists' attention to numerous obstacles in the way to agreement.

"The pressure of the sides on us and, I believe, on our partners is very strong," Kozyrev noted. "We shall argue on some issues and evidently in a stern way."

ITAR-TASS learnt that the conference will start at 15:00, Geneva time (17:00, Moscow time). It will be preceded by Kozyrev's talks with his British counterpart Douglas Hurd and then with U.S. Secretary of State Warren Christopher. Other meetings are possible.

The ministers will discuss joint proposals which delegations are to offer to the Bosnian sides. The most important task of the forum is to hammer out an agreed plan for territorial delimitation in Bosnia and Herzegovina.

"Previous attempts at settling the conflict were made with methods of classic diplomacy: mediation and talks," Churkin said. "'Shock therapy' will be used this time. Otherwise the warring sides will not return to 'the normal state'."

In turn, Kozyrev noted that the participants in the conflict have not been able to come to terms for two and a half years, adding: "the world community will now make an attempt to work out a peaceful ultimatum, that is to push the sides to peace and a compromise".

"I believe that public opinion in our country and in western states will have to overcome 'shock therapy' too," the minister noted. "The public in the states participating in a settlement should understand the inadmissibility of unilateral support for one or the other side."

People will need some courage to remain on the positions of common sense and resist attempts to stupify them with "nationalistic opium", the gist of which lies in blind support for "my own side".

"I do not see a reasonable alternative to joint actions of the world community in settling the Bosnian crisis," he continued. "Otherwise we shall face confrontation not only in Bosnia but in the international arena too."

The minister warned that if states take this road, they can get "a 1914 scenario". "The blind support" received by the conflicting sides from major powers had resulted in the First World War at that time, and in the national disaster in Russia. It is necessary to find "a very sensitive balance" not to make such "concessions".

Describing as "equally negative" the first response by Bosnian Serbs and the Moslem-Croatian Federation to the proposals of the contact group on territorial delimitation in Bosnia, he noted at the same time that this response reassures rather than discourages, no matter how paradoxical it looks.

The response shows that the plan is not lopsided. "This means that the truth is somewhere in the middle, and a compromise is possible," the minister stressed.

Kozyrev on 'Joint Actions'

LD0407204794 Moscow ITAR-TASS in English 2033 GMT 4 Jul 94

[By ITAR-TASS correspondents Dmitriy Gorokhov and Konstantin Pribytkov]

[Text] Geneva July 4 TASS— "I see no reasonable alternative to joint actions of the world community in the settlement of the Bosnian crisis. Otherwise, we shall face confrontation not only in Bosnia, but in the international arena as well," said Russian Foreign Minister Andrey Kozyrev upon arrival in Geneva on Monday night.

On Tuesday, Kozyrev will take part in the second summit of foreign ministers devoted to the Bosnian settlement, attended by the Russian Federation, the United States and a number of countries of the European Union.

The main sessions of this forum will be held at the Russian mission at the U.N. European Department, ITAR-TASS learned from diplomatic circles. The talks are expected to focus on the plan of territorial demarcation in Bosnia-Herzegovina and international "encouragement and punishment" measures.

"If the warring sides could come to a halt by themselves, conventional procedures, such as mediation or arbitration, might be used. However, the warring sides have not been able to come to terms for 2.5 years now. Today, at issue is an attempt made by the international community to work out a peace ultimatum, in other words, to compel the warring sides to attain peace and reach a compromise," Kozyrev said.

Kozyrev, Pakistani Counterpart Hold 'Frank' Talks

LD0407132394 Moscow ITAR-TASS World Service in Russian 1135 GMT 4 Jul 94

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov and Yuriy Tyssovskiy]

[Text] Moscow, 4 Jul—Russia's Foreign Minister Andrey Kozyrev said the dialogue he held today with Pakistan's Foreign Minister Sardar Asif Ahmad Ali, who is on a working visit here, was "very useful, businesslike, and frank."

Andrey Kozyrev said "we exchanged views on a wide range of issues, including bilateral problems, first and foremost on the upcoming visit to Russia by Pakistan's Prime Minister Benazir Bhutto. The timetable of the visit will be agreed through diplomatic channels.

Russia attaches special importance to our relations with Pakistan, and we are hoping, in particular, that we will be able to apply in practice the basic interests which objectively bring together our two states by the time the head of the Pakistani Government arrives in Russia. We are both interested in stability in Asia on the whole, and in South Asia in particular. It was from this standpoint that the situation in Afghanistan, a settlement of the Tajikistan issue, and a number of other aspects of the situation in the region were discussed."

The head of the Russian Foreign Ministry pointed out the importance of the visit by his Pakistani colleague to Moscow, and expressed his hope that it would put bilateral relations on a new level.

For his part, Asif Ahmad Ali described the talks as exceptionally useful. He said that both sides reached complete mutual understanding, and confirmed their wish to improve relations between the two states and to raise them to a higher level. He expressed the hope that Benazir Bhutto's upcoming visit to Russia will give fresh impetus to the development of bilateral cooperation. The Pakistani foreign minister singled out the strengthening of security in south Asia, the problem of Tajikistan, and a settlement of the Bosnian conflict, especially as both Russia and Pakistan are contributing men to UN forces in the region as being among the most important and promising areas for cooperation between the two states on the international arena.

After the talks Andrey Kozyrev and Asif Ahmad Ali signed a bilateral agreement on visa-free travel on service and diplomatic passports, as well as a protocol on political consultations between the foreign ministries of Russia and Pakistan.

Nonproliferation on Talks Agenda

LD0407104194 Moscow ITAR-TASS in English 1019 GMT 4 Jul 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Yuriy Tyssovskiy]

[Text] Moscow July 4 TASS—The strengthening of the nuclear security and non-proliferation regime in Asia, as well as preparations for a planned visit to Russia of Pakistani Prime Minister Benazir Bhutto are in the focus of discussion at a meeting of Russian Foreign Minister Andrey Kozyrev and his Pakistani counterpart Sardar Asif Ahmad Ali on Monday.

Speaking before the meeting, Kozyrev expressed hope that long- standing and friendly relations with Pakistan will acquire a more stable partnership character. "We proceed from the coincidence of key interests regarding stability in south Asia and on the Asian continent in general", the Russian minister said adding "It is important to transfer the interests into practical cooperation on a wide range of issues and directions".

TASS learned that it is planned to sign a bilateral agreement on visa-free trips of diplomats and VIPs and a protocol on political consultations between the foreign ministries of both countries.

Pakistani Foreign Minister Comments

BK0407150094 Islamabad PTV Television Network in English 1400 GMT 4 Jul 94

[Text] Foreign Minister Sardar Asif Ahmad Ali held talks with the Russian foreign minister, Andrey Kozyrev, in Moscow today. During the talks, lasting over an hour, wide range of global and regional issues, including security in South Asia, Afghanistan, Tajikistan, and Bosnia came up for discussion. The two sides also discussed steps to further strengthening bilateral cooperation between Pakistan and Russia. During the talks, held in frank and open atmosphere, the two foreign ministers also discussed preparations regarding the forthcoming visit of Prime Minister Benazir Bhutto to Moscow.

After talks, Pakistani and Russian foreign ministers signed documents, which included a protocol on holding of permanent political consultations between the representatives of the two friendly countries and an agreement on visa abolition for holders of diplomatic and official passport of the two countries. Officials of the two delegations were present on the occasion. Pakistan's ambassador to Russia, Ashraf Jehangir Qazi, also attended the ceremony.

Later, talking to newsmen, the Russian foreign minister, Andrey Kozyrev, said the two countries have identical views on regional and international issues. He said the relations between the two countries have assumed a new dimension which will be developed on objective basis.

Reciprocating the sentiments, Sardar Asif Ahmad Ali said:

[Begin Ali recording] We discussed issues of security in South Asia. We are cooperating in Tajikistan. We are also... [pauses] I may like to add here that we both countries are members of the UNPROFOR [UN Protection Force] forces in Bosnia. There is a large area of cooperation that is beginning to emerge between the two countries. [end recording]

Further Comments on Moscow Trip

LD0307053594 Moscow ITAR-TASS in English 0523 GMT 3 Jul 94

[By ITAR-TASS correspondent Leonid Kotov]

[Text] New Delhi July 3 TASS—Pakistani Foreign Minister Sardar Asif Ahmad Ali departs for Russia on Sunday on an official visit. Sources at the Russian Embassy in

Islamabad told ITAR-TASS by telephone that the visit's programme includes talks between the Pakistani foreign minister and his Russian counterpart Andrey Kozyrev, meetings with members of the Russian parliament committee on international affairs as well as members of the political and scientific quarters.

The Russian and Pakistani ministers will discuss bilateral relations, including those connected with a possible visit to Moscow by Pakistani Premier Benazir Bhutto in the near future.

The sides will also examine some international problems, including the situation in the Central Asian region, above all in Afghanistan and Central Asia. They will discuss the results of another round of the intra-Tajik talks in Tehran and will consider prospects for another meeting in Islamabad.

The sources do not preclude that the ministers will discuss the situation in Bosnia and Herzegovina, since Pakistan heads the working group on Bosnia within the Organisation of Islamic Conference (OIC).

The wide range of issues to be discussed by the sides also includes the fate of former Soviet troops who were captured during the Afghan war. The Russian side regards with satisfaction efforts by the Pakistani Government, which made it possible to free recently two former Soviet servicemen and to return them home.

"Despite great difficulties experienced by Russia now, it will always remain a great power with which Pakistan wishes to maintain friendly relations," the Pakistani minister said in an interview with ITAR-TASS in Islamabad earlier.

"The development of Russian-Pakistani relations meets the conditions of the present situation in the world and the interests of strengthening mutual understanding and cooperation. Pakistan seeks to maintain a close contact with Russia to settle the situation on the Tajik border as well as other international problems.

"The two states have a great potential for cooperation, including the economy and other spheres. Pakistan is ready to look for new spheres of economic and trade cooperation with Russia, and its territory can be used to build roads connecting republics of the Commonwealth of Independent States with southern seas.

"My visit to the Russian capital will enable the sides to discuss prospects for broad cooperation between Russia and Pakistan as well as concrete steps our countries will take for its development," the minister stressed.

Chinese Premier Stresses Wish for 'Border of Peace'

PM0107181794 Moscow PRAVDA in Russian 2 Jul 94 p 1

[Report by correspondent Igor Melnikov: "Li Peng Favors a Border of Peace Between the PRC and Russia"]

[Excerpts] Vienna, 1 July—The visit by Li Peng, premier of the PRC State Council, has become the central event of political life in Austria today. No one contests the importance of Austria's economic and trading links with the successfully developing giant—they are self-evident. [passage omitted]

During a press conference yesterday the PRC State Council premier answered a question put by your PRAVDA correspondent on the current state of relations between Russia and China.

After the Soviet Union's collapse the PRC quickly established normal relations with Russia, including normal relations in the economic and trading sphere, he stated.

We very much hope, Li Peng said, to develop good-neighborly and friendly relations with Russia, given that our two countries are linked by a very long common border. We hope that this border will remain a border of peace.

Panov on Japan Cabinet, U.S. Korea Talks, India

LD0107163394 Moscow INTERFAX in English 1340 GMT 1 Jul 94

[From the "Diplomatic Panorama" feature—by correspondents Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] **"MULTIFACETED" COOPERATION WITH NEW JAPANESE CABINET...**

Russian Deputy Foreign Minister Aleksandr Panov told Interfax that Moscow was willing to launch the most multifaceted cooperation on specific projects with the Tomiichi Murayama Cabinet. Hopefully, so was the new Japanese Cabinet, Panov said.

According to Panov, Moscow had an idea of who Japan's new Foreign Minister was. The father of Kono Yohei did much to promote relations with Russia when he served as Japan's Minister of Land, Forestry and Fishery. He was one of the first Japanese public servants to have visited Moscow even before bilateral relations normalized in 1956.

Panov hoped the Japanese Foreign Minister and his Russian counterpart Andrey Kozyrev would launch a good working relationship. They could be expected to meet for the first time at the G-7 summit in Naples. More Russian and Japanese Foreign Ministry officials would be sure to meet, Panov said, although Moscow would welcome a meeting between the two of them, too.

The government coalition had yet to map out its strategies. But, Panov said, Tokyo could be hardly expected to reconsider its stand on the territorial problem. Moscow expected no change in that field, Panov said.

Panov was content with the new stability of Russian-Japanese relations. Outstanding problems were solved and new fields for contacts, including military, had opened, he said. Moscow appreciated even the absence of dramatic

developments which meant, Panov said, that normal, constructive efforts for the promotion of bilateral relations were being made.

...EXPRESSES "CAUTIOUS OPTIMISM" ON POSSIBLE AGREEMENT BETWEEN WASHINGTON AND PYONGYANG...

As for the possibility of introducing international sanctions against Pyongyang, Panov said no one was discussing the issue. Everything depended, by and large, on the outcome of U.S.-North Korean negotiations, he said.

According to Panov, Russia had never rejected out of hand the idea of calling an international conference. It felt bilateral dialog was possible even in the context of a wider conference. But, Panov said, it still doubted—or expressed something on the order of cautious optimism on whether bilateral agreement was at all possible. So, it wished well to the U.S.-North Korean negotiations but its call for an international conference remained valid.

The conference's time might come, Panov said, because developments proved the manysided character of the problem in question. The problem went beyond the limits of U.S.-North Korean relations.

Moscow hailed Kim Il-song's and Kim Yong-sam's decision to meet on July 25 in Pyongyang. Panov felt the meeting would mark an historic watershed in relations between the two Koreas. Moscow wanted it to take place, he said.

...AND CONFIRMS MOSCOW WANTS INDIA TO JOIN NUCLEAR NON- PROLIFERATION TREATY

Addressing Russian-Indian relations, Russian Deputy Foreign Minister Aleksandr Panov described the upcoming visit by Indian Prime-Minister Narasimha Rao to Moscow as a highly important event. Narasimha Rao is visiting Moscow on June 29 to July 2. The visit proved, Panov said, that bilateral relations followed an upward curve and diplomatic traffic between Moscow and Delhi was as heavy as in the years past.

Panov acknowledged, though, that Moscow and Delhi differed on nuclear arms control.

He said Moscow would still want India and the other "threshold" nations to join the Nuclear Non-Proliferation Treaty. He felt moves could be made to ease the concerns India had or might be expected to have. If bilateral moves proved to be insufficient, he said, international commitments could be made and international conferences could be held.

Japanese Official on Possible Yeltsin-Murayama Talks

LD0407062094 Moscow ITAR-TASS World Service in Russian 0535 GMT 4 Jul 94

[By ITAR-TASS correspondent Vasiliy Golovkin]

[Excerpt] Tokyo, 4 July—A separate meeting between Russian President Boris Yeltsin and Japanese Prime Minister Tomiichi Murayama "may take place" during the meeting of the leaders of the world's leading industrial countries in Naples, ITAR-TASS learned today from a senior official of the Japanese Foreign Ministry. However, he refused to confirm recent press reports that the Russian-Japanese summit meeting would take place on 10 July.

The senior official noted that separate talks between the leaders of the two countries had already been arranged during the previous meetings of the Group of Seven. Therefore, he thinks there is every reason to believe that preparations are under way for a similar meeting. The Foreign Ministry official, however, refused to elaborate on the nature of problems the Japanese side would like to discuss during the meeting. [passage omitted]

Further on Indian Prime Minister's Visit

Meets With Rybkin

LD0107112894 Moscow ITAR-TASS in English 1025 GMT 1 Jul 94

[By ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow June 1 TASS—Russian-Indian relations are still dominated by their tradition of friendly, mutual benefit, Ivan Rybkin announced on Friday at an official breakfast in honor of Indian Prime Minister Narasimho Rao. Rybkin, chairman of the Russian State Duma (the lower chamber of the Federal Assembly) expressed the parliament's gratitude that the Indian guest had found time in his packed schedule to meet with the delegates. That is an important recognition of the role which the parliamentarians are playing in the implementation of reforms in Russia.

"In Russia, we believe that it is best to develop new friends while not forgetting old friends" Rybkin commented. He said that reforms in Russia and India were in many ways on parallel tracks, and have a lot in common. The two countries should maintain all that is most important and constructive in their relations for the sake of their respective peoples, he said.

The Russian Federal Assembly has become an essential part of the country's political system, Rybkin declared. He said the deputies were trying to achieve accord between the three branches of power. Without accord, without overcoming disagreements, Russia cannot make progress in reforms, the chairman noted.

In his reply, Narasimha Rao noted that Russia's movement towards a pluralistic democracy is a process of great historical meaning. This process is essential for Russia and the Russian people, he said, but its realization and consequences concern many other nations as well.

Russia will remain one of the main actors on the international scene, Rao reassured. And it is very important for the whole world that Russia occupies its rightful place in the world as a prosperous and democratic nation. Russia deserves that place not just because of her size, power, and

natural riches, but also because of the talent and skills of her people, the tremendous sacrifices they have made, their remarkable intellectual potential, and the rich traditions which they have inherited, the Indian premier stated.

Addresses Federal Assembly

BK0107160794 Delhi All India Radio Network in English 1430 GMT 1 Jul 94

[Text] The prime minister says India and Russia share a common interest in sustaining secularism, tolerance, and nondiscrimination. Mr. Narasimha Rao was addressing the members of the Russian Federal Assembly in Moscow today. He said the geopolitical situation in both the countries enhances our interests to jointly combat the threats of sectarian violence, terrorism, and organized crime. Mr. Rao called upon the people of both the countries to pledge to work together for resurrection of hope and faith in the common destiny as one humanity. Referring to the declaration signed by both the countries in Moscow yesterday, the prime minister said peace can come to the world permanently only when people at large in the world have a decisive say in the affairs of the states.

Ends Official Visit

LD0107163894 Moscow ITAR-TASS in English 1447 GMT 1 Jul 94

[Text] Moscow July 1 TASS—Russian President Boris Yeltsin bade farewell to Indian Prime Minister P.V. Narasimha Rao in the Kremlin today. The farewell handshake between the two countries' leaders underscored the official part of the Indian leader's visit. The Russian president had visited New Delhi in January, 1993.

A package of Russian-Indian documents was signed as a result of the visit and official talks and meetings held in Moscow. Both sides warmly praised the accords reached, considering the agreements a necessary basis for the dynamic development of bilateral relations in political, trade, economic, military, scientific, technical and other spheres. Moscow and New Delhi declared the identitiy or closeness of their stands on many international issues.

The Indian daily newspaper "HINDU" said that the talks in the Russian capital had not only restored back the express of Indian- Russian relations, which was derailed due to the disintegration of the Soviet Union, but also helped it reach a new stage of constructive interaction.

The Indian prime minister leaves for home on Saturday.

Departs for Home

LD0207075894 Moscow ITAR-TASS World Service in Russian 0640 GMT 2 Jul 94

[By ITAR-TASS diplomatic correspondent Sergey Spitsyn]

[Excerpt] Moscow, 2 Jul—Answering a question from ITAR-TASS, Indian Prime Minister Narasimha Rao assessed the results of his official visit to Moscow as "very successful." The Indian head of government left for home today. He and officials accompanying him were seen off at Sheremetyevo-1 airport by Viktor Chernomyrdin, the head of the Russian government, representatives of the Russian foreign ministry and of the Indian embassy in Russia. [passage omitted]

Foreign Ministry Deplores Adoption of Estonian Border Law

LD0407201594 Moscow INTERFAX in English 1815 GMT 4 Jul 94

[Text] The law on borders adopted by the Estonian State Assembly on June 30 lays the Estonian-Russian border and the whole region open to destabilization, said a statement by the Russian Foreign Ministry circulated today.

The statement says that the demarcation of the border in accordance with the Tartu treaty of 1920 became invalid after Estonia entered the USSR in 1940. The statement adds that such a conclusion was based on the generally recognized standards of international law according to which a state stops to exist as a subject for international law when it becomes a part of another state.

The statement said that before the recognition of Estonia's independence in 1991 its border with Russia had been established on the basis of Soviet legislation and on the mutual consent of the parties.

The statement said that Estonia had not responded to Russia's numerous proposals to seek solutions to the border issues by efficient cooperation and had opted for confrontation putting forward territorial claims to Russia.

Kozyrev Condemns Attempts To Discredit Troops in Abkhazia

LD0407185294 Moscow ITAR-TASS World Service in Russian 1754 GMT 4 Jul 94

[By ITAR-TASS diplomatic correspondent Aleksandr Fedoseyev]

[Text] Moscow, 4 Jul—Russian Foreign Minister Andrey Kozyrev trenchantly denounced attempts by Abkhazian leaders to cast suspicion on Russian peacekeeping forces in the Georgian-Abkhazian conflict zone. He broached this topic in a conversation with journalists prior to his departure for Geneva to take part in the second ministerial meeting on Bosnia.

The head of the Russian foreign policy department said that he resolutely rejects the indiscriminate and groundless criticism of the Russian servicemen who are risking their lives in carrying out the peacekeeping mission in Transcaucasia. He said he was referring to the outspoken public attacks contained in the recent decision by the Supreme Soviet of Abkhazia and the remarks by the Abkhazian leader Vladislav Ardzinba, who initiated this ugly campaign and has "complained" to the United Nations about the Russian peacekeepers.

In this connection, Kozyrev stressed that he has no desire to meet with leaders who take the liberty of making such remarks and thus avoid serious and constructive dialogue.

Kozyrev Says No Russian Empire-Building in Caucasus

LD0207213994 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 2 Jul 94

[Report on an interview with Foreign Minister Andrey Kozyrev by reporter Shkirando in Sochi on 2 July—from the "Novosti" newscast]

[Excerpt] [passage omitted] [Begin recording] [Shkirando] There is much ado around the peacekeeping forces, not quite about nothing, but they say however that Russia, which has not received the United Nations [UN] blue beret mandate, is declaring its empire building ambitions again.

[Kozyrev] First, we do not need any kind of mandate; we are acting on the decision of the sovereign states and on the decision of the CIS, and we do not need any other mandate.

Secondly, we had a rather tough conversation in the security council and managed yesterday, after all, to obtain a resolution which directly approves the beginning of the deployment of peace keeping forces. So we are in order here too.

And the main thing: Those who are not pleased should blame their own irresponsibility. It is not an empire-building mission. We do not have any imperial interests here, but we have had enough of this lawlessness; we are not putting up with it any longer. That's my view. [end recording]

[Shkirando] Following the adoption of the relevant UN resolution, international observers who represent the UN here have become much more optimistic. The head of the UN monitoring mission in Georgia and Abkhazia, Brigadier General John Hvidegaard, is satisfied with the cooperation with the Russian peacekeeping contingent. He hopes that jointly they will take the situation under reliable control. The foreign minister believes that this has become a breakthrough for Russia in its relationships with the UN, albeit not a very significant one.

[Begin Kozyrev recording] This is the first political step in the right direction; the UN will not be an outsider any longer, will not merely observe or more so, admonish us. We do not need admonishing, this is not the point. It should get involved, help, and share our burden to a degree." [end recording]

There is no doubt about the fact that Andrey Kozyrev's visit has given an new meaning to the peacekeeping process in the region. However, it ended in confusion. The meeting of Kozyrev and [Chairman of the parliament Vladislav] Ardzinba, on which both had counted a lot, has not taken place due to a difference in views of protocol procedures.

Ukraine Behind in Payments for Nuclear Fuel Deliveries

LD0207140094 Moscow INTERFAX in English 1325 GMT 2 Jul 94

[Text] Standing by a tripartite agreement on nuclear weapons withdrawal from Ukraine, Russia has been making nuclear fuel available to its nuclear plants virtually free, the General Director of the TVEL concern Leonid Proskuryakov has declared to INTERFAX.

Being part of Russia's Atomic Energy Ministry, TVEL unites nuclear fuel enterprises.

According to Proskuryakov, "the production and supply of fuel for Ukrainian nuclear power station are still paid for out of the Russian budget." However, he emphasized that pressed for funds, the Russian government has been financing nuclear fuel production and shipment with difficulty.

He disclosed that a third batch of nuclear fuel had gone to Ukraine on Friday. However, that delivery, as Proskuryakov explained, had not been paid for.

He also revealed that a debt to TVEL for the previous second delivery of fuel to Ukraine amounted to 10 billion rubles.

"By fulfilling a tripartite agreement on the withdrawal of nuclear warheads from Ukraine, we have finally arranged it that Russia pays for fuel supplies to Ukrainian nuclear power stations," Proskuryakov said and added that if the withdrawal of nuclear warheads from Ukraine is halted, we will stop to supply fuel and will demand that Ukraine pay in advance.

Chernomyrdin Leaves for Belarus Visit

LD0207081694 Moscow ITAR-TASS in English 0714 GMT 2 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow July 2 TASS—Russian Prime Minister Viktor Chernomyrdin left by air for the Republic of Belarus on Saturday morning for a working visit.

The official purpose of the trip is to attend festivities marking the 50th anniverary of the liberation of Byelorussia from Nazi invaders. However, the Russian premier will also have quite a number of working meetings in the contiguous independent state.

Chernomyrdin and his Byelorussian [Belarusian] counterpart Vyacheslav Kebich are expected to review the implementation of the first phase of the treaty to combine the monetary systems of Russia and Belarus and measures to implement it at the second stage besides, the two premiers will possibly discuss the granting of a state credit to belarus for the second half of 1994 (in addition to the 150,000 million roubles, provided for by the intergovernmental agreement dated May 24, this year).

The programme for the Russian premier's two-day visit reserves time for his possible talks with Lithuanian President Algirdas Brazauskas and Kazakhstan prime Minister Sergey Tereshchenko on Byelorussian soil to discuss matters of bilateral interest.

It is not ruled out that Chernomyrdin will meet with Alyaksandr Lukashenka, a member of the Byelorussian Parliament, who leads at the current presidential elections in Belarus.

Federation Council Writes UN on Latvian Citizenship Law

LD0107201494 Moscow ITAR-TASS World Service in Russian 1916 GMT 1 Jul 94

[By ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations, 1 Jun—The adoption by the Latvian parliament of a discriminatory law on citizenship "could lead to a dangerous destabilization of the situation in Latvia and in the Baltic region as a whole" and is also "an open challenge to democratic, humanist tendencies in contemporary Europe and the world." These words are contained in a letter by the Federation Council of the Federal Assembly of the Russian Federation and a statement by the Russian Foreign Ministry distributed here on 1 July as a document of the General Assembly.

"On 21 June 1994, in the teeth of numerous protests by the international community and without consideration for the recommendations of the CSCE, the Council of Europe, and a number of international experts, the Saeima of the Latvian Republic adopted the law on citizenship of the Latvian Republic, which makes it legal to deprive of and infringe the real political, socioeconomic, cultural, and other rights of hundreds of thousands of permanent residents of that country," the Federation Council letter says. This points out that Latvia's national-radical forces are making no secret of their plans to step up pressure upon a section of the population with the aim of "squeezing it out" of Latvia. Following the series of discriminatory acts brought into force in Riga before the citizenship law was adopted, it is planned to adopt harsh laws on language, schools, amendments to the laws on foreigners, religion, and others.

The Federation Council warned that such actions on the part of the Latvian parliament "cannot but have the most negative impact" upon Russo-Latvian bilateral relations. It pointed out that "it would be compelled specially to examine the issue of measures to defend the legitimate rights and interests of the residents of Latvia who are being subjected to discrimination."

The Russian Federation Foreign Ministry statement, which has been circulated as a UN General Assembly document, notes that the Latvian citizenship law "deprives the overwhelming majority of ethnic Russians permanently resident in the country of any real opportunity of obtaining citizenship."

"The law contains elements of discrimination on an ethnic basis.... yet another step has been made aimed at legislative discrimination against hundreds of thousands of inhabitants of the Republic of Latvia and at the formation of a mono-ethnic state," the Russian Federation Foreign Ministry statement says. "In approaching the further development of relations with Latvia, the Russian side will take account of the situation taking shape in that country following the adoption of the law on citizenship."

Political Issues

Agreement With FBI To Promote Anticrime Efforts

LD0407202994 Moscow INTERFAX in English 1815 GMT 4 Jul 94

[Text] The national security advisor of the Russian president Yuriy Baturin said he believed the agreements that will be reached during the Moscow visit of the Director of the U.S. Federal Bureau of Investigations Louis Freeh are undoubtedly going to promote anti-crime efforts.

In an exclusive interview with Interfax Monday he said Freeh's visit was a step to build a system of combatting crime in Russia, organized crime in particular.

Great importance should be given for international efforts against the drug trade, terrorism and other criminal factors. However, the success of such cooperation, Baturin said, requires the development of appropriate systems of cooperation between the special services of the two countries.

Baturin named as a sphere of mutual interest the extradition of criminals. He said that in the absence of an agreement between governments an understanding between special services on the matter is very important.

Answering a question from Interfax Baturin said that an FBI mission in Moscow is organized on the basis of reciprocity: the Russian Interior Ministry will open a similar office in the USA.

Zhirinovskiy Threatens To Withdraw From Civic Accord

LD0207160994 Moscow INTERFAX in English 1445 GMT 2 Jul 94

[Text] The Liberal Democratic Party [LDPR] faction in the Russian State Duma will never agree to prolong powers of the parliament and "the agonizing regime," the LDPR leader Vladimir Zhirinovskiy declared at a meeting with electors Saturday in Moscow.

As he said, prolongation of powers is necessary "for the regime to conceal traces of its crimes." However, Zhirinovskiy said, "they will understand by this autumn that they will not be able to prolong powers, will disband the State Duma, and will introduce presidential ruling."

Zhirinovskiy asserted that during their preparation the authorities "ruin the army and simultaneously create armed formations of the Interior Ministry and various OMONs (riot police) recruiting people with semi-criminal past who are ready for anything."

Zhirinovskiy is convinced that "a peaceful unification of Ukraine and Belarus with Russia will take place in the near term" and "the artificially created state of Kazakhstan will disappear." He believes that Aleksandr Lukashenko's success at the presidential elections in Belarus testifies to this fact."

Zhirinovskiy also asserted that results of the presidential elections in Ukraine had been falsified, "Kuchma has collected more votes," he said.

According to Zhirinovskiy, the West "feels that Yeltsin gradually becomes a patriot and prepares a replacement for him, chief of a laboratory or a radiophysicists." He declared that the presidential circles are blocking Boris Yeltsin by presenting falsified information on the situation in this nation.

Zhirinovskiy promised that the LDPR would refuse from its signature under the Agreement on Civic Accord if the present political course is not changed. About 500 people attended this meeting.

Filatov: Yeltsin Measures Help Promote Stability

LD0407204694 Moscow INTERFAX in English 1815 GMT 4 Jul 94

[Text] The measures taken by Boris Yeltsin over recent months have helped to remove people's fears of civil war and the disintegration of the country, chief of the president's staff Sergey Filatov said today.

In an interview with Interfax, Filatov pointed to the adoption of the new Constitution, the Civic Accord Pact and other acts initiated by the president.

According to Filatov, power-sharing treaties concluded by the center and federation items made a great contribution to the strengthening of Russia's federalism.

At the same time, Filatov admitted that a number of top-priority issues, notably reformation of the taxation system, should be solved first to achieve a more stable society. "The sooner the issue will be solved legislatively, the sooner clearness and stability will come to the country's political life," he said.

Among political issues, Filatov indicated the creation of a stronger vertical power structure. "In particular, the system must be brought in line with the Constitution by 1996, local elections should be held," he said. Filatov said that according to the Constitution, the Federation Council should be composed of the heads of local government bodies, while now all of them are appointed.

Democratic Alternative Party To Support 'Yabloko'

MK0207093094 Moscow SEGODNYA in Russian 2 Jul 94 p 2

[Report by Gleb Cherkasov under the "Party Organization" rubric: "Shostakovskiy and Yakovenko Set Up New Party. Democratic Alternative Party To Back 'Yabloko'"]

[Text] Apparently by year's end, the "Yabloko" faction will have a grass-roots party structure. At yesterday's press conference, "Yabloko" deputies Vyacheslav Shostakovskiy and Igor Yakovenko, former cochairmen of the Republican Party of Russia [RPR], announced that they

were leaving the RPR and setting up an organizing committee of the Party of Democratic Alternative [PDA], which, according to its founders, should become "an association of like-minded regional parties."

The PDA plans to hold its constituent congress next fall. Mr. Yakovenko said that the idea has already been supported by "energetic and robust teams" from 23 Russian regions and that it has "spearheads," as it were, in other areas. The would-be party is intent on being true to its name, so it will try to become a force that could offer society "a democratic alternative, genuine reform, and genuine democracy." The PDA will be open for cooperation with all democratic forces, including those "that yet remain in the federal, and particularly in regional, government structures." As an example of "an energetic team" that remains in a regional government structure and is ready to take part in the PDA, the party leaders referred to Mr. Zhdanovskiy, deputy administration chief of Krasnodar Kray, with a group of like-minded persons. Igor Yakovenko pointed out that in the 12 December elections "Yabloko" managed to finish on top in Kuban.

Regarding a hypothetical relationship between the organizing committee and the "Yabloko" faction, Vyacheslav Shostakovskiy pointed to the proximity of their views: "We are one political team." The PDA will probably give its backing to Grigoriy Yavlinskiy in the next presidential elections unless a worthier candidate emerges. In that case, Igor Yakovenko said, Mr. Yavlinskiy himself will also back the yet unknown national leader. As for Messrs. Shostakovskiy and Yakovenko, they do not lay claims to the role of national leaders, contenting themselves with being "initiators of the creation of a political environment where competitive teams of democratically minded regional politicians could emerge in 12 to 18 months."

Touching on their relations with another faction member, Vladimir Lysenko, who won the political duel that occurred at the Republican Party congress, the former RPR chairman emphasized that Mr. Lysenko has too often violated faction discipline, has long been absent from faction meetings, and voted against his colleagues' decisions on matters of principle (such as the adoption of the budget and participation in the Treaty on Public Accord), all of which has effectively decided the question of his "Yabloko" faction membership.

Yeltsin Edict Creates Council for Cossack Affairs

LD0207202094 Moscow ITAR-TASS in English 1851 GMT 2 Jul 94

[Text] Moscow July 2 TASS—A decree "on Council for Cossack Affairs under the Russian president" has been signed by Russian President Boris Yeltsin today.

Bearing in mind the significance of revival of the Russian Cossacks and appeals of Cossack representatives about the need for unification of Cossack societies as well as to develop priority areas of the state policy on Cossacks, the Russian president resoluted to create a Council for Cossack Affairs on a voluntary basis to include representatives of the Russian Cossacks, the presidential administration, the Russian Government and interested federal executive power bodies as a consultative body under the Russian president.

Russian Minister for Affairs of Nationalities and Regional Policy Nikolay Yegorov has been nominated head of the Council for Cossack Affairs (on a voluntary basis).

The council chairman shall submit for the approval regulations on the council and its membership.

The council shall prepare and hold an all-Russian Cossack congress.

Physician Says Yeltsin 'In Excellent Form'

LD0207140994 Moscow INTERFAX in English 1326 GMT 2 Jul 94

[Text] Russian President Boris Yeltsin "is in excellent form and is healthier that many of his opponents. Siberians are strong people," one of Yeltsin's doctors, Anatoly Liyev, told the newspaper Izvestiya Tatarstana (The News of Tatarstan).

Liyev, a manual therapist, earlier treated former Soviet president Mikhail Gorbachev and today heads a sanatorium in the North Caucasus resort of Kislovodsk and is vice president of an international association of vertebroneurologists. Last year he was awarded the title of a Merited Physician of Russia.

Radio, TV May Cease Broadcasting Jul-Aug

LD0107192594 Moscow Russian Television Network in Russian 1600 GMT 1 Jul 94

[From the "Vesti" news program]

[Text] According to unconfirmed reports we have obtained, Russian Television and Radio are considering the possibility of suspending television and radio broadcasting in July and August due to financial constraints.

The management of the All-Russian State Television and Radio Company and of Ostankino have refused, however, to directly confirm or deny this information.

I don't know about you, but we will miss you, to put it mildly.

Official Points Out Misreporting on Hostage Incident

PM0407113994 Moscow KRASNAYA ZVEZDA in Russian 2 Jul 94 p 1

[Report by Vladimir Berezko: "Chechen President Promises Assistance in Combating Terrorists"]

[Text] A briefing devoted to the successful conclusion of the operation to release the Mineralnyye Vody hostages was held at the Russian Internal Affairs Ministry 1 July.

Militia Colonel General Mikhail Yegorov, chief of the Main Directorate for Combating Organized Crime, explained that certain mass media organs had wrongly reported the death of a hostage. The killing was simulated;

in fact, all 39 hostages were released alive and well. One further small detail: The bandits did not take the whole amount they demanded, but $2.7 million. The helicopter then took off and landed the criminals in what was now Chechnya, near a village where one of the terrorists was born.

Militia Major General Boris Baturin, deputy chief of the Main Directorate for Combating Organized Crime, noted that in Chechnya, where the terrorists were arrested, the president has afforded them all necessary assistance and has assured them that this will continue. However, a terrorist who has been on Chechen territory since the events in Mineralnyye Vody on 26 May has not been arrested to date.

Mikhail Yegorov also described at the briefing the results of a large-scale operation carried out in Novorossiysk—one of 15 Russian cities kept under special supervision in the Internal Affairs Ministry. Seventy-nine serious crimes were detected and a considerable quantity of weapons and munitions seized during three days.

Economic Issues

Yeltsin Signs 1994 Federal Budget Law

LD0207091694 Moscow ITAR-TASS World Service in Russian 0838 GMT 2 Jul 94

[Text] Moscow, 2 Jul (ITAR-TASS)—Russian Federation President Boris Yeltsin signed the Law on the 1994 Federal Budget on 1 July.

The Russian Federation president's press service said today that the law was passed by the State Duma and approved by the Federation Council on 24 June 1994.

Budget Figures Reported

LD0307164094 Moscow ITAR-TASS World Service in Russian 1409 GMT 3 Jul 94

[Text] Moscow, 3 July—The Law on the Federal Budget, which was signed by Russian Federation President Boris Yeltsin on 1 July, endorses the state's expenditures and revenues.

It was adopted by the State Duma and approved by the Federation Council on 24 June, and says:

The 1994 federal budget is endorsed with expenditures in the sum of 194,495.31 billion rubles, to include 144,601.31 billion rubles in current expenditure and 49,894.0 billion rubles in development expenditure, and with revenues in the sum of 124,477.0 billion rubles.

The federal budget deficit for 1994 shall be set at a maximum of 70,018.31 billion rubles, or 36 percent of the sum of Federal Budget expenditures in 1994.

The deficit in the 1994 federal budget shall be defrayed by a credit from the Russian Federation Central Bank in the sum of 48,269.41 billion rubles, credits from foreign states and international finance organizations in the sum of 16,339.9 billion rubles, revenues from state securities in the sum of 3,829 billion rubles, and profit in 1994 of the Russian Federation Central Bank in the sum of 1,580 billion rubles.

The credit from the Russian Federation Central Bank to defray the federal budget deficit in 1994 shall be for a term of 10 years and shall be paid off in equal instalments beginning in 1998 at interest of 10 percent per annum.

The Russian Federation Central Bank shall as of 1995 issue interest-free credits to defray the federal budget deficit."

The law defines spending on national defense as 40.626 trillion rubles, to include:

—upkeep of the armed forces: 22,105,375.0 million rubles
—purchase of weaponry and equipment: 8,442,000.0 million rubles
—science, research, and design work: 2,433,000.0 million rubles
—capital construction: 4,778,250.0 million rubles
—servicemen's pensions 1,993,750.0 million rubles
—expenditure of the Russian Federation Ministry of Atomic Energy: 873,625.0 million rubles

The federal budget allocates a total of 837,180.6 million rubles for destruction of weapons, to include:

—nuclear weapons: 208,051.0 million rubles
—chemical weapons: 115,965.6 million rubles
—weaponry with nuclear power plants: 329,897.5 million rubles
—conventional weapons: 183,266.5 million rubles

Yeltsin Praises Voucher Privatization Results

MK0207080094 Moscow SEGODNYA in Russian 2 Jul 94 p 2

[Mikhail Lantsman report under the "Incentives" rubric: "Boris Yeltsin Gives Anatoliy Chubays an 'Excellent' Mark. The Father of Voucherization Commended for 'Selflessness and Professionalism'"]

[Text] Boris Yeltsin has congratulated staffers of the State Property Committee and the Federal Property Fund on the end of voucher privatization. Yeltsin's address, which was released by the presidential press service yesterday, notes that their professionalism and selfless work has helped "to lay a foundation for a new edifice of a great Russia's economy that is coming back to life." The foundation of "the new, great Russia" is made up of 70 percent of industrial enterprises that have been privatized and 40 million Russian citizens who have become shareholders. According to the presidential assessment, "the program, unprecedented in Russian history, has been carried out on time."

If we remove ourselves from high-flown rhetoric, the president's praise for Anatoliy Chubays' agency should be seen in the context of the struggle for the right to determine the rules of the game at the second stage of privatization that has been unfolding between the State Property Committee, sectoral ministries, and regional authorities. The

president will act as the supreme arbiter in the struggle, at least as long as the procedure for post-voucher privatization is regulated by presidential edicts. Boris Yeltsin's preferences, however, are hard to forecast. As early as two weeks before Mr. Chubays got his 'excellent' mark, Boris Yeltsin ordered that he stay out of Moscow affairs. Apart from Moscow Mayor Yuriy Luzhkov, it is military-industrial sector generals who express particular displeasure with the State Property Committee's activity. Aleksey Shulunov, chairman of the League of Russian Defense Enterprises, who has accused Mr. Chubays of breaking up the defense industry as a single sector, has repeatedly said that there are "men from the West" standing behind the State Property Committee chief.

Still, Anatoliy Chubays is optimistic about the future. In an interview for INTERFAX, the State Property Committee chairman said that by the end of 1995 90 percent of state-owned enterprises will be privatized.

Unlike the Russian president, international experts are more reserved in their assessments of Russian privatization. The OECD report devoted to the economic development prospects of East European countries states that "in Russia, where privatization has been carried out at a fast pace, traditional relations between enterprises and the state have virtually remained unchanged, and loans continue to be given without taking into account market criteria."

Yeltsin Extends Voucher Sell-By Date

LD0407093794 Moscow Russian Television Network in Russian 0400 GMT 4 Jul 94

[From the "Time For Business People" program]

[Text] Russia's President Boris Yeltsin has eventually extended the sell-by date of the Russian voucher. Privatization vouchers collected by closed subscription while privatizing enterprises can be transferred to appropriate property funds until 31 July. According to the president's edict, on measures to protect citizens at the stage of transition from voucher to cash privatization, shares may be paid for by checks only if the information at the beginning of the closed subscription had been published before 1 July.

Chubays Remarks on Attitudes Toward Privatization

LD0407220594 Moscow Radio Rossii Network in Russian 1800 GMT 4 Jul 94

[Remarks by Anatoliy Chubays, chairman of the State Committee for Property of the Russian Federation, at a news conference at the "Ostankino" Television Center on 4 July—recorded]

[Text] It is precisely the program of Russian privatization that perhaps has made irreversible the whole program of Russian economic reforms. Today there is no political force in the country capable of winning back, taking from millions of people what they have obtained as a result of Russian check privatization.

To answer the question of how this proved possible, what we relied on to overcome this huge resistance from huge political structures at a federal and regional level, in executive, legislative, and judicial power, in all regions of Russia without exception, the reply is clear: The main thing about our secret weapon was the support of millions of people who believed in our program, in us. It was these people who made possible the implementation of the program itself.

However, if you now listen to the voices of the dissatisfied and look at what kind of people they are, it is very easy to see in the front ranks of the protesters the big town governor, the recent Soviet director-innovator, or the former leader of the Communist Party at the oblast or Union level. These people have reason to be dissatisfied, because it is from these people that we took—tore—the property that they had possessed for decades, that today has been handed over to 40 million Russian citizens.

Dubinin Reviews 1994 Financial Policy

LD0507012894 Moscow Radio Rossii Network in Russian 1800 GMT 4 Jul 94

[Excerpt] On Monday evening acting Finance Minister Sergey Dubinin summed up the financial policy of the last six months. He announced at a news conference that the most important thing society, the government, and the Finance Ministry had been striving for had been achieved: to restrain the growth of the hydra of inflation. In January the level of inflation was rising to 23 percent, but in June it was only 6 percent. The most acute problem for the chief financier remains the weak, even scant tax revenues to the budget.

All of the answers Sergey Dubinin gave cannot be aired because of lack of financing of the state television and radio. When our correspondent asked Mr. Dubinin what criteria Finance Ministry was working on for allocating an amount for the needs of our television and radio company, which can now maintain only five hours of air time, Sergey Dubinin answered:

[Begin Dubinin recording] We assumed that communications services costs would not increase faster than inflation in the country overall. Moreover, we did assume that a certain reduction in broadcasting would be necessary. Well, for God's sake, I cannot understand why television works at night. We can see that the communications services are growing faster than inflation as a whole, and faster than the rising price of electricity. Thus, we consider it necessary, and the government has (?stated) this many times, first to establish beneficial electricity rates for the communications facilities serving television and radio at about the coefficient of 0:5 from the industrial enterprises and thus sharply limit the expenditure of radio and television on these factors; and second, to permit the communications men to raise the prices of their services only with the consent of the government. If we do not do this we will drive ourselves into this dead end again. [end recording] [passage omitted]

Dubinin Sees Economic Troubles But No Hyperinflation

MK0507072094 Moscow SEGODNYA in Russian 5 Jul 94 p 1

[Report by Yelena Kolokoltseva, Dmitriy Volkov under "Results" rubric: "Finance Ministry Warning: Financial Stabilization Is Just Around the Corner"]

[Text] Sergey Dubinin, Russia's acting finance minister, said yesterday that the government "states without excessive optimism" that Russia has managed to avoid hyperinflation. "By year's end, as planned, we will reach an inflation rate of 7-8 percent, and by the end of 1995, if the 'moderately tight' financial policy continues, it will be down to 3-5 percent. This gives grounds to think that financial stabilization has materialized," he said. According to Dubinin, it is the next year that will prove decisive. "I do not say," he said, "that it will be a year of economic growth, but I am certain that it will see stabilization in production and an upturn in GDP." He acknowledged that the status of structural policy has so far been unsatisfactory. However, Mr. Dubinin pointed out, at a time of hyperinflation, attempts at production restructuring would be doomed to failure.

In the first six months, the budget deficit was 25 trillion rubles or 10.4 percent of the six-month GDP. Mr. Dubinin said that the Finance Ministry thinks it impermissible to subsidize industry on a large scale and said that around one-fourth of the proceeds from post-voucher privatization should be used to support the military-industrial sector.

State Duma hearings on the economic situation have been scheduled for today. It has transpired that Sergey Glazyev, chairman of the State Duma economic policy committee, is intent on reproaching the government for "effectively failing to adhere to" the presidential message to the Federal Assembly. Mr. Glazyev has warned that according to his committee's estimates, "the problems concerning the country's economic security continue to aggravate, namely, progressive de-industrialization and the destruction of Russia's scientific-industrial potential, the criminalization of its economy, capital flight and brain drain." According to the committee's estimates, compared to last year GDP will tumble 17 percent and industrial production by one-fourth; in the engineering sector this indicator will be more than half of the overall production volume. In Sergey Glazyev's view, "Russia is acquiring an economic structure typical for developing countries" that rely on raw material exports.

The acting finance minister categorically rejected statements that government policy is inconsistent with Boris Yeltsin's message. From January 1994, when monthly inflation was 21 percent, "we came to 6 percent in July," he said.

Liberal Democrats Call For Emergency Measures

LD0407173494 Moscow INTERFAX in English 1529 GMT 4 Jul 94

[Text] The Liberal Democratic Party led by Vladimir Zhirinovskiy has called for a swift monetary reform to replace the existing banknotes by new ones.

Its draft resolution on emergency measures to stabilize the social and economic situation in the country also proposes that the government carry out a swift and comprehensive inspection of commercial banks, agencies and companies engaged in foreign trade so as to check the uncontrolled flight of capital abroad.

It also contains a demand to cease aid and lessen credits to CIS states and channel the resources freed to help house displaced people from those countries in Russia.

The Liberal Democrats called for a number of Russian regions to be declared economic disaster areas. They said the government must allocate urgent financial and material aid to such areas from its own reserves and sustain the cost of resettling their residents elsewhere in Russia.

Yeltsin Signs Edict on Oil Exports

LD0107133194 Moscow ITAR-TASS World Service in Russian 1209 GMT 1 Jul 94

[By ITAR-TASS correspondent]

[Text] Moscow, 1 Jul (ITAR-TASS)—President Boris Yeltsin today signed an edict on oil and oil product exports in 1994. The purpose of the edict is to provide guarantees for the fulfillment of the Russian Federation's international undertakings, including the repayment of international credits for the development of Russia's oil and oil refining industry. It is also a follow-up to the president's 23 May 1994 edict abolishing export quotas and licenses for goods and services.

A statement from the president's press service notes that the decree extends until 1 January 1995 the existing arrangements for oil and oil products exported for federal and state revenue purposes, as well as those exported under quotas by enterprises in possession of licenses issued by the federal Ministry for Foreign Economic Relations. The edict also extends exemptions from customs duty for such exports.

The Russian Federation Government is instructed to endorse arrangements under which oil companies and producer enterprises will be allowed, from 1 January 1995, to export oil and oil products through organizations registered with the federal Ministry for Foreign Economic Relations. However, these organizations will have to pay export duty on the entire amount they export. This safeguards the interests of both the state and the producer enterprises.

Government Adopts Resolution Increasing Salaries

LD0207192594 Moscow ITAR-TASS in English 1852 GMT 2 Jul 94

[Text] Moscow July 2 TASS—A government resolution "on the increase of salaries in the common tariff table for the budget-financed spheres" was adopted on June 30.

The document provides for the first rate salary of 22,400 rubles per months for staffers of budget-financed enterprises and organizations starting from July 1.

The first rate salary is increased by 16,600 rubles, the second rate - by 12,000 rubles, the third rate - by 6,000 rubles and the fourth rate - by 3,000 rubles in accordance with item 4 of the Russian president's decree No. 2268 of December 22, 1993, "on formation of the republican budget of the Russian Federation and relations with budgets of federation subjects in 1994".

Aide Views Moves To Attract Foreign Investments

LD0407094194 Moscow ITAR-TASS in English 0903 GMT 4 Jul 94

[By BUSINESS-TASS correspondent Robert Serebrennikov]

[Text] Moscow July 4 TASS—"The creation of a consultative council to the Russian Government on foreign investments in the Russian economy may become a turning-point for attracting foreign capital to our country, which is absolutely vital to us," Yevgeniy Yasin, chief of the analytical centre to the Russian president, told BUSINESS-TASS.

"The problem is that the might of Russian capital is now incomparable with the potential of foreign capital investments. In order to create favourable conditions for foreign investments, the government makes efforts to change the situation as regards the nature of legislation and the observance of laws and taxation," Yasin said.

"Representatives of western big business, who met in Moscow recently, expressed confidence that, if such conditions are created, the scope of foreign capital investments may quickly top 10-15 billion U.S. dollars a year. To us, this would be simply salvation, considering, in particular, the lack of domestic sources of accumulation and the huge deficit of the state budget," Yasin pointed out.

However, Yasin emphasised, there should be no counterposition between national and foreign capital. This is why the government does its best to stimulate equally domestic private investments in the Russian economy.

Yasin firmly denied the widely-held belief that western monopolies, if allowed into the country, would plunder all national wealth of Russia. Foreign investments in Europe now account for 15 percent of gross domestic product, those in the U.S.—10 percent and in Russia—only one percent. If so, can there be any question of Russia's being plundered? Yasin asked.

The analytical centre chief voiced confidence that in the coming ten years Russian private capital will get on its feet and press foreign competitors at both domestic and international markets.

Government To Abolish Export Tariffs in 1995

LD0407155194 Moscow ITAR-TASS in English 1523 GMT 4 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow July 4 TASS—Russia plans to abolish export tariffs for CIS countries in 1995, Russian Vice-Prime Minister Aleksandr Shokhin said.

In an exclusive interview with ITAR-TASS on Monday, Shokhin said that the Russian Government cannot abolish them now because of the CIS countries' debt to Russia. The announcement followed Ukrainian President Leonid Kravchuk's call for "as open borders with Russia as the United States has with Canada."

The Russian budget would collapse if gas and oil export tariffs are abolished now, Shokhin continued. At present, they make up the basis of Russia's trade turnover. One of the reasons is the lack of agreement on the price Russia should pay Ukraine for leasing its facilities (Black Sea Fleet bases and infrastructure, underground gas storage facilities, etcetera). The price of Russian oil and gas is much lower than that on the world market, while the current economic situation does not enable Russia to pay Ukraine the world price.

Where such problems are resolved, including Byelorussia [Belarus] where Russia keeps strategic military facilities and Kazakhstan where the Baykonur cosmodrome is located, Russia abolishes customs barriers, Shokhin said.

He expressed the hope that the monetary policy aimed at bridging the gap between domestic and world oil and gas prices will allow Russia to abolish exports tariffs in 1995, which will facilitate the implementation of the agreement on a free economic zone signed by the CIS leaders in April.

Shokhin said that the Russian Government has already taken the first step in this direction by halving export tariffs.

Import Tariffs To Increase Food Prices 80 Percent

PM0507074994 Moscow IZVESTIYA in Russian 2 Jul 94 p 2

[Report by Aleksey Portanskiy and Valeriy Konovalov: "New Import Tariffs Will Lead to 80-Percent Increase in Food Prices"]

[Text] The decision in March to increase import tariffs, which comes into effect from 1 July, was one of the most complex and contradictory steps taken by the government in recent times.

Formally, any increase in export or import duties contradicts the principle of free trade which Russia took as its basic principle in the foreign economic sphere with the

beginning of reforms. At the same time a rational protectionist policy is often beneficial to the national economy, but only for a limited period.

If the extra import duty is used over a period of one or two years for the modernization of obsolete production, people can perhaps understand having to pay more today in order to have domestically produced goods of higher quality, but at cheaper prices tomorrow. The same arguments are also suitable for explaining to the world community that an increase in import tariffs is a temporary measure necessary to support our producers.

However, given the current economic and political situation in the country, it is reasonable to ask: Will our enterprises really channel additional profits into the proclaimed noble goals of modernizing production, or will these profits not rather go into pay? In that case we will be back precisely where we started.

Nowhere in the world are duties levied on the raw material group of goods. In our country, however, under the new tariff a 25-percent tax is to be introduced on imported wool. At the same time Russian wool absolutely fails to meet the quality standards of our knitwear factories. Consequently, increasing export duties in this sphere will lead simply to inflation and reduced competitiveness of products on the external market. Nor can increasing duties on electronic microcircuits to 60 percent be considered just.

However, there exist other criteria for assessing the new import tariffs. Our average import tariff rate will now stand at 12-15 percent, and the growth in this indicator, in the opinion of specialists, is insignificant. When GATT was formed more than 40 years ago, the member countries had an import tariff rate of 40 percent, which has only now been reduced to 3-5 percent. Therefore, the situation regarding import tariffs should be considered as satisfactory from the point of view of Russia's entry to GATT.

Nevertheless, Oleg Davydov, Russian Federation minister for foreign economic relations, has stated that the government intends to announce by September how it will reduce the highest import duty rates.

Of course, it is the introduction of new tariffs in the food market that will have the most appreciable consequences for the population. Of course, considerable reserves of basic food commodities purchased under previous contracts have been stockpiled in the depots and storehouses of municipal and commercial structures. But the experts' forecasts are being realized: Even despite the deferment of the introduction of import tariffs, the situation, especially on the wholesale food market, has changed by no means in favor of the consumer.

A wholesale food fair was held in Moscow in June, at which manufacturers encountered the combined onslaught of Russian suppliers, who have sharply hiked their prices. No one is yet hurrying to conclude new contracts under such conditions—there is still a forlorn hope for modifications in the customs rules. The Moscow Government has sent yet another letter to the premier of the Russian Government, requesting that he take another look at import tariffs, which are especially painful for the inhabitants of big cities. It suggests making exceptions for Moscow, St. Petersburg, Yekaterinburg, and other major industrial centers which do not have a sufficient food base of their own and are almost entirely dependent on supplies.

According to the calculations of the Moscow Government's department for food resources, the introduction of new tariffs will fairly shortly (as soon as existing stocks run out) trigger a growth in prices on basic food products of 70 to 80 percent. Moreover, this applies not just to imported products, but to homemade products as well. At the same time there will be no expansion in demand or increase in quality—only higher prices and the gradual disappearance of higher quality imported products from the shelves.

If the new import tariffs are not modified, it is obvious that these consequences of their introduction will manifest themselves in our food market within two-three months.

Military, Nuclear & Space Issues

Grachev Opposes Army Involvement in Crime-Fighting

LD0107085094 Moscow ITAR-TASS World Service in Russian 1657 GMT 30 Jun 94

[By ITAR-TASS correspondent Nikolay Styazhkin]

[Text] Stavropol, 30 Jun—Russian Defense Minister Pavel Grachev told ITAR-TASS that he is "against the army substituting for the bodies responsible for maintaining law and order in the fight against gangsters and other criminals." However, he considers that "in particularly extreme situations the army has always given and will give effective help." This was the answer which Army General Pavel Grachev - who arrived in Stavropol today - gave to a question from the ITAR-TASS correspondent, since, in the defense minister's opinion criminal acts such as the taking hostage of children and bus passengers, which has already happened three times consecutively in Stavropol, should be fought.

The defense minister began his stay in the region with a visit to the airborne assault division which was redeployed here from the Transcaucasus.

A meeting between minister Pavel Grachev and the head of the area administration Yevgeniy Kuznetsov is planned for tomorrow. It is thought that a wide range of problems will be considered at it in connection with further work on providing for retired officers and other categories of servicemen, in particular with the allocation of land plots and help in building their own homes.

Grachev: Army's Financial Situation 'Critical'

LD0207192294 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 2 Jul 94

[Text] The Russian president has signed a law on the federal budget for 1994. According to the document,

budget expenditure will be nearly 195 trillion rubles and revenue 124.5 trillion. Commenting on the Defense Ministry budget—about 43 trillion—Defense Minister Pavel Grachev said that the army's financial situation is critical. The defense minister said there had been a major reduction in financing of research and construction work. There is only enough money to buy 15 percent of the new technical equipment and arms required.

Armed Forces To Be Cut to 1.9 Million

PM0107154394 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 1 Jul 94 p 1

[POSTFACTUM report: "Size of Army To Be Reduced"]

[Text] Federation Council Chairman Vladimir Shumeyko stated after a meeting with Feliks Gromov, commander in chief of the Navy, that the size of the Russian Armed Forces will be reduced to 1,917,000 servicemen by 1 January 1995.

V. Shumeyko stressed that the Federation Council is not playing the "military card," but seeking the best option for preserving the high technologies exisitng in the Armed Forces and defense industry.

Paper's 'Lies' on Army Finances Rejected

PM0107154094 Moscow KRASNAYA ZVEZDA in Russian 30 Jun 94 p 3

[Report by the Russian Federation Defense Ministry Main Directorate for the Military Budget and Financing: "Far-Fetched Stories About Whose Finances? Journalists Writing to Order?"]

[Text] MOSKOVSKIYE NOVOSTI (No. 25, 1994) has come up with another sensation—there is a "big rumpus" at the Russian Defense Ministry. The panic was allegedly caused by the comprehensive Finance Ministry checks begun in accordance with the government directive signed a month ago. Having asked the question of how the "defense" ruble is working, MOSKOVSKIYE NOVOSTI came up with all manner of things without waiting for the results of the checks—discovering that there is plenty of money in the military department but that it is not being used "properly," that a wall of secrecy has been erected in the way of the inspectors, that pressure has been brought to bear on them....

The Russian Federation Defense Ministry Main Directorate for the Military Budget and Financing can state with full authority that these are sheer lies.

To be specific, the Finance Ministry allocated 4,930.7 billion rubles [R] in the first half of the year under the "Upkeep of the Army and Navy" section of the military budget—this being R3,939.6 billion less than was laid down in accordance with the Russian Federation presidential edict and the State Duma decision. In other words, even the minimal requirement was only just over half-fulfilled. This money might be enough to pay wages and salaries to the men if we were to stop feeding and clothing our soldiers, mounting combat standby duty, heating our barracks.... In order to ensure that life in the Armed Forces does not grind to a halt the Defense Ministry leadership has had to juggle funds, "paper over the cracks," and muddle through. But even using all these dodges, the wage backlog being carried forward from month to month is R150-200 billion.

The MOSKOVSKIYE NOVOSTI journalist asked what he saw as the "killer" question: "Where and to whom have all these funds gone?" But what funds? What are we actually talking about?

You will look in vain for answers to these questions in the newspaper article. Even the remainder of it is based on idle fabrication. There has been no "big rumpus" about the checks into the way in which budgetary and nonbudgetary funds are being used in the Army and Navy—the implementation of the government decision has, rather, been seen as a hopeful sign that attention will finally be paid to the acuteness of the problems facing the Armed Forces. Nobody has put up any curtains of secrecy or issued any instructions. A single telegram signed by the defense minister was sent to the troops ordering them to create all the conditions for the commission's work and to ensure that the inspectors were given all the necessary documentation.

The juggling of the facts about alleged "warning" trips to the localities are also quite absurd. In particular, this "tag" was attached to the trip made by Deputy Defense Minister K.I. Kobets to the Western Group of Forces in connection with the measures to withdraw the troops, and to the participation of V.V. Vorobyev, chief of the Main Directorate for the Military Budget and Financing, in talks in Bonn. It was even used for the work of Finance Ministry representative G.P. Marochkin, who was working...on the government commission plan. If you wanted to, you could serve up all planned trips by Defense Ministry leaders with this sauce. But there probably would not be enough space in the newspaper.

And the claims that somebody in the Defense Ministry is controlling the commission's work are absolutely absurd. Normal, principled, and, at the same time, well-intentioned and honest work is under way. It will undoubtedly be effective and useful.

Thus, MOSKOVSKIYE NOVOSTI has proved nothing. Except to confirm the widespread truism that you can buy any "commissioned" article you like, even if there is not a word of truth in it. As long as the money is there and the client is there, with an interest in creating an "enemy image" in the shape of the Armed Forces.

Military Guarantees Safety of Chemical Arms Depots

MK0207103094 Moscow KOMMERSANT-DAILY in Russian 2 Jul 94 p 21

[Valentina Morozova, Dmitriy Kuybyshev report: "Chemical Arms Problems in Bryansk Area. Chemical Bombs May Sleep Tight"]

[Text] Bryansk-area mass media yesterday carried reports that the storage life of 7,000 tonnes of chemical aviation bombs in the chemical arms arsenal 5 km from the city of Pochep (Bryansk Oblast) is drawing to a close. According to chemical experts, an explosion of one such bomb (it weighs 500 kg) is enough completely to destroy all residents of the Bryansk area. The Russian Defense Ministry, however, said that accidents in either this or other chemical weapons depots are ruled out.

According to Aleksandr Mudrov, adviser to the Bryansk administration chief on environmental security, there are seven chemical weapons depots on the territory of the former USSR. They are located in Udmurtia, and also in Penza, Saratov, Vyatka, Samara, and Bryansk Oblasts. The public is concerned most by the fact that virtually all arsenals were built back in 1918 (except the Bryansk storage facility, which was commissioned in 1946). In most arsenals, the weapons' storage life has effectively expired. In other words, the bombs and shells may explode at any moment.

Owing to the insistence of local residents, who have repeatedly made inquiries with the Russian Government about the storage of weapons, on 24 March the State Duma held hearings on the problems of destroying chemical weapons. A government commission was set up under Deputy Prime Minister Oleg Soskovets.

In experts' view, the problem of destroying chemical weapons has been compounded by the fact that the 1994 state defense order does not provide financing for resolving it. According to preliminary estimates, the overall cost of the destruction of chemical weapons in Russia will stand at trillions of rubles and hundreds of millions of dollars.

In a conversation with your KOMMERSANT-DAILY correspondent, spokesmen for the Defense Ministry said that the depots with chemical bombs and shells do not pose any threat to the residents of the above regions. The military emphasized that today they can fully guarantee that the weapons in the depots cannot explode because their storage is thoroughly controlled by appropriate army services. Defense Ministry officials also said that the Bryansk Oblast administration has recently been advised of the safety of chemical arms depots located in the region.

Stolen Weapons-Grade Nuclear Fuel Discovered

MK0207113094 Moscow SEGODNYA in Russian 2 Jul 94 p 7

[Report by Nikolay Rodionov in the "Crime" column: "The Stolen Uranium Would Have Been Enough To Make a Nuclear Bomb"]

[Text] As the editorial staff has learned from responsible sources, during the night of 30 June-1 July three officers of the Russian Northern Fleet, who stole nuclear fuel from Northern Fleet depots last year, were detained near Murmansk. Navy counterintelligence has taken seven months to find and detain the perpetrators of this daring crime.

This detective story began on 28 November 1993 when the guard of a military unit in the town of Rosta (near Murmansk) found that seals and stamps were missing from the doors of a nuclear fuel depot. Furthermore, the shackle of the padlock had been expertly sawn. On the same day the unit command carefully inventoried the depot. The results shocked the inspectors: 4.5 kg of uranium-238, enriched with uranium-235, had disappeared without a trace. This crime was unique in its parameters. According to expert estimates, this fuel quantity would be enough to produce a nuclear device, provided, of course, corresponding laboratory equipment was available. The world market value of this uranium was between $600,00 and $700,000.

The local counterintelligence service, closely collaborating with military prosecution bodies, closed off all channels for possible export of the nuclear materials. The entire complex of operational and technical measures was effected. Finally, investigators traced the thieves. Incidentally, according to one version, the uranium was ordered in Moscow.

In the end the nuclear fuel was found in a cache fitted out in the garage of one of the thieves. Fortunately, the fuel was "fresh made" and therefore there was no danger of radioactive contamination. All three officers were detained and prosecuted under Article 223-3 of the Russian Federation Criminal Law Code (embezzlement of radioactive materials).

SEGODNYA's correspondent has learned that this is a second such crime in the Northern Fleet. The first attempt to steal nuclear material was made by Northern Fleet servicemen in July 1993 but was cut short by military counterintelligence at the preparation stage.

Theft of Weapons-Grade Uranium Denied

LD0407202494 Moscow INTERFAX in English 1815 GMT 4 Jul 94

[Text] First Deputy Interior Ministry, Mikhail Yegorov, heading the department for the fight against organized crime, has dismissed allegations by some sections of the media of thefts of uranium designated for military purposes by criminal gangs in Russia. At his meeting with journalists Monday, Yegorov said that about 50 thefts of low-enriched uranium, which cannot be used to produce weapons, had been registered in Russia over the last eighteen months.

At the same time, he said that the Russian, U.S. and German law-enforcement bodies must be ready for such attempts and any other contingencies. According to Yegorov, about a dozen criminal cases involving thefts of radioactive substances were under investigation. However, all of them involved low-enriched uranium-238, he reiterated.

Speaking on the cooperation with the U.S. Federal Bureau of Investigation, Yegorov said he found it easy to work with FBI Director Luis Freeh. "He is a professional, and you can speak the same language with him as professional

policemen understand each other," Yegorov noted. At the moment, the FBI and the Russian Interior Ministry are investigating about 40 criminal cases, he said.

Official Says Nuclear Industry May Come To Standstill

LD0107195994 Moscow INTERFAX in English 1857 GMT 1 Jul 94

[Text] Russia's nuclear fuel facilities may come to a standstill because of the non-payment crisis, General Director of TVEL company Leonid Proskuryakov told Interfax on Friday. If this happens, he said, the whole of the atomic energy industry including its weapons complex may come to a halt.

TVEL, an umbrella company of nuclear fuel manufactures, is run by the country's atomic energy ministry.

Russian nuclear power plants have run a combined debt of 104 billion rubles to the company including 16.5 billion rubles by Ukrainian nuclear power stations, Proskuryakov said.

He said that fuel production had to be curtailed because of shortage of funds. "It takes up to six months to process fuel for nuclear power plants", he said adding that many of the stations would be left without fuel in the coming winter unless the situation was redressed.

Proskuryakov said the Russian government had taken a number of resolutions to force the Unified Power Grid Company to clear accounts with nuclear power plants. "At present, the government has no leverage on the company which is a monopoly structure", he said.

Workers at many of the facilities have not been paid wages for up to four months. "It must be remembered that our employees work with nuclear materials of various grades of enrichment", Proskuryakov stressed.

Radioactivity Normal at Waste Site After Leak

LD0107125494 Moscow ITAR-TASS in English 1129 GMT 1 Jul 94

[By ITAR-TASS correspondent Sergey Borovkov]

[Text] Petropavlovsk-Kamchatka July 1 TASS—Russian fleet authorities have reported that the amount of radiation at the site of the solid radioactive waste storage site near Petropavlovsk-Kamchatskiy presents no danger. The waste site, which sprung a leak about ten days ago, is not emitting more than the acceptable allowance of 2.8 milliroentgen/hour at a distance of one metre from the container.

This information was obtained by a joint civil and military inspection of the site on June 29. Specialists are still analyzing samples of soil and water taken from near the accident area. The final results will be available only at the beginning of next week.

The solid waste site is located near the base of the Russian atomic submarine fleet. The military have admitted that the initial leak was up to eight milliroentgen/hour, but naval specialists undertook emergency repair work which allowed them to get the radiation back down to acceptable levels.

Nevertheless, naval representatives have been none too open with information concerning the leak. A press-conference was held on June 30, but an invitiation was issued to only one reporter, from the state tv and radio company "Kamchatka." The reporter, obviously under the thumb of the navy, accused his more independent-minded colleagues of inundating Russia with rumours of high radiation levels.

ITAR-TASS has learned that the accident has hurt regional tourism somewhat. The "Kamchatckturist" firm, which had planned a cruise from Japan to Kamchatka this year, has received many cancellations from its clients.

In that context, it would not hurt to repeat: Both navy specialists and civil experts are unanimous in saying that the radioactive waste site no longer presents any danger whatsoever for the residents of Petropavlosvk-Kamchatskiy, the nearby towns and villages, nor for potential guests of the peninsula.

Soyuz TM-19 Launched From Baykonur

LD0107131694 Moscow ITAR-TASS World Service in Russian 1246 GMT 1 Jul 94

[Text] Flight Control Center, 1 Jul (ITAR-TASS)—The Soyuz TM-19 spacecraft launched from the Baykonur cosmodrome at 1625 Moscow time today. It is manned by a crew consisting of Yuriy Ivanovich Malenchenko, the commander, and Talgat Amangeldiyevich Musabayev, the flight engineer, who is a citizen of the Republic of Kazakhstan.

According to telemetric data and reports from orbit, the flight is proceeding normally.

Docking with the Mir space station is scheduled to take place on 3 July.

Docking of Soyuz TM-19 Completed

LD0307150194 Moscow ITAR-TASS World Service in Russian 1412 GMT 3 Jul 94

[Text] Flight control center, 3 Jul (ITAR-TASS)—The docking of the Soyuz TM-19 and the science and research space complex Mir took place at 1755 Moscow time today.

The flight program of the four Russian and one Kazakh cosmonauts includes the taking over of their responsibilities by the 16th crew of the main expedition to the Mir station, as well as scientific, tecnological, and medical studies and experiments.

Cosmonauts Viktor Afanasyev and Yuriy Usachev will return to Earth in the Soyuz TM-18 spaceship on 9 July. Yuriy Malencheyko, Talgat Musabayev, and researcher cosmonaut Valeriy Polyakov will continue their flght on board the orbital complex.

Federal Assembly

State Duma Begins Hearings on Economic Situation

LD0507100594 Moscow ITAR-TASS in English 0840 GMT 5 Jul 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow July 5 TASS—A departure from the reform policy "is tantamount to renunciation of the future", State Duma Speaker Ivan Rybkin said here on Tuesday in his opening remarks at parliamentary hearings on the socio-economic situation in the Russian Federation.

Rybkin pointed out that "a reform will become a sign of success only when it becomes the cause of the whole people". It is essential to abandon the simplified liberal tactics of transformations and move on to a socially-oriented economy, he said.

To begin with, it is necessary to determine all economic growth priorities, identify "points of growth", and activate an investments mechanism, and stimulate a rise in labour productivity, Rybkin pointed out.

Recommendations, which are to be worked out during the hearings will be used as the basis for a programme for the lawmaking activities of the State Duma and will help the government adjust its policy course, Rybkin said.

Duma's Ilyukhin Rejects Initiative on Extension

MK0207105094 Moscow KURANTY in Russian 2 Jul 94 p 2

[Report by Maksim Shiryamov: "State Duma Is Incapable of a Decisive Step"]

[Text] And precisely for this reason the upper chamber speaker's initiative on extension of the current Russian parliament's powers is doomed in any case. Such is the view of Viktor Ilyukhin, communist chairman of the Duma security committee. The thing is, he explained that both the State Duma's radical wings can with no special effort "gore" each other's too responsible proposals.

Ilyukhin regards Shumeyko's initiative absolutely unacceptable also as a matter of principle. First, our Federal Assembly, he says, has demonstrated such sterility in the past six months that extending its existence is simply senseless. Second, Shumeyko's initiative is once again prodding the country into lawlessness because it is totally incompatible with the Constitution. Third, this is in fact simply on the whole an attempt to prolong the life of the current "illegitimate regime." Fourth, and finally, Shumeyko's initiative is unworthy from the moral point of view because he only cares for his own position.

Ilyukhin agrees that a new election campaign is going to distract the parliamentarians from making laws. But then, he said, "we all and the president, too, are now working for the waste paper basket." Ahead of us doubtless is a change in the political-economic course of the state, Viktor Ivanovich concluded. Given an imminent change of power, all present and future lawmaking efforts would be junked.

Regional Affairs

Grachev Says More Troops To Be Deployed in Dagestan

LD0207121994 Moscow Russian Television Network in Russian 1000 GMT 2 Jul 94

[From the "Vesti" newscast]

[Text] [Announcer Sergey Voziyanov] After finishing a visit to the North Caucasus, Russian Defense Minister Pavel Grachev today (2 July) returned to Moscow. Here is our correspondent Aleksey Dubnov on the results of the visit.

[Dubnov] At an improvised news conference at Chkalovskiy aerodrome, the defense minister replied to correspondents questions on the results of the trip. According to Pavel Grachev, the heads of administration of the towns and oblasts where our troops are stationed back the government's steps toward creating mobile forces there, although the opposition may not like it.

[Begin Grachev recording] The second very important point is the reinforcement of our group of forces in the Republic of Dagestan, since all our cover in that area is [words indistinct]. We will deploy another few units and elements there. [end recording]

[Dubnov] On the size of the army in the North Caucasus Military District, Grachev said the approximate number will be 200,000 personnel. The total strength of the Army in the country will be 1,500,000. In the opinion of the defense minister, this is insufficient. However, as he noted, the country's economic interests had to be considered.

Grachev Deals With 'Social Problems'

PM0107181394 Moscow KRASNAYA ZVEZDA in Russian 2 Jul 94 p 1

[Report by Vladimir Yermolin and Nikolay Astashkin: "Minister's Arrival Has Cleared Up Many Problems, but Most of Them Could Have Been Settled Without Waiting for Pavel Grachev's Trip to the North Caucasus"]

[Text] Russian Defense Minister Pavel Grachev's working visit to the North Caucasus Military District continued 1 July. But the day before, at Stavropol airport, where he arrived in the afternoon, journalists were keen to learn the minister's impressions of his work in the North Caucasus Military District. Army General Pavel Grachev refrained from comment and kept his impressions to himself. It is not difficult to explain this. It is clear that the defense minister's "impressions" will eventually be expressed in the form of orders, instructions, and directives. Many of which are not, as it were, intended for a wide circle of people. Nevertheless, it is possible to report that on the whole Army General Pavel Grachev regards the state of

affairs in the district as fine. According to him, far more has been done here in two years than might have been expected. Units entrusted with crucial tasks are battle-worthy and ready for operations under the most difficult conditions.

Army General Grachev specially stressed that wherever he had been during his working visit to the North Caucasus he had met with a good and thoughtful attitude toward the military's problems on the part of heads of administration and the local leadership. Incidentally, we journalists, who attended many of the defense minister's meetings with leaders of various levels and with North Caucasus Military District servicemen, have also been able to see this for ourselves. Discussion has been specific and committed everywhere, while decisions have not been shelved—as, alas, does happen nowadays. A single question entered the minds of many journalists and specialists: Is it really absolutely necessary to await the arrival and intervention of the defense minister before these and other problems are resolved? A rhetorical question, but in fact in virtually all the units he visited Army General Grachev had to sort out social problems. Incidentally, the Stavropol units are no exception in this regard. The airborne brigade commanded by Colonel Valentin Marin proved, unfortunately, to suffer from the standard range of problems: shortage of housing, difficulties in providing the military camp with facilities, and lack of financial resources.

It needs to be noted that the defense minister's visit to the airborne brigade and special-purpose forces units was primarily connected with the formation of mobile forces, whose backbone they are required to be. It is also clear that it is very important today to ensure from the outset that the servicemen of these subunits, in particular, do not get bogged down in the "mire of everyday concerns" but immediately focus on the crucial tasks which they have to perform.

On 1 July the defense minister arrived in Makhachkala, where he visited a defense sector plant. In the afternoon Army General Grachev arrived by plane in Volgograd, where he continued his work.

More on Trip to North Caucasus

MK0507092194 Moscow SEGODNYA in Russian 5 Jul 94 p 2

[Report by Pavel Felgengauer under the "Army" rubric: "Russian Defense Ministry Strengthens Southern Flank. General Grachev Promises the Military Smooth Cuts"]

[Text] Defense Minister Pavel Grachev did not tire last week of repeating to units of the Northern Caucasus Military District (NCMD) that "Russia's south is the main region of organizational development and reforming of the Armed Forces, a region of vital interests of the army and the state. Especially so is the Black Sea littoral."

In Russia, according to Mr. Grachev, there will be four top combat effectiveness districts: the Moscow, Leningrad, Far Eastern, and the NCMD districts (the others are districts of rear services and operational reserve). Correspondingly, the above districts will enjoy priority in supplies, financing, and housing construction. But on the other hand the officers of NCMD elite units will be ready at any moment "to solve combat tasks in any southern region both on Russia's territory and outside it." The minister suggested to those "who do not want to make war" to arrange transfers to quieter places.

General Grachev has agreed with the leaders of Dagestan about accommodations for the troops already there and about the deployment of new forces "for the reinforcement of the southern borders." Dagestan turns out to be a Russian enclave because the railroads and the main auto roads run across a "sovereign Chechnya" where transit conditions for defense freight are even worse than across Lithuania to the only Russian Federation official enclave—Kaliningrad Oblast. This means that the military group in Dagestan, which used to be an area deep in the interior, should be beefed up now, in more or less quiet times.

The local administrations in the oblasts and republics of the Northern Caucasus (excepting Chechnya), far from being against, are indeed extremely interested in keeping the former army garrisons and deploying new ones if possible. A special inducement is the building of new facilities because the building industry is getting no orders even in Anapa, a health resort. While money for construction is being sought, the military are, quite painlessly, accommodated in Young Pioneer camps and vacation homes on the coast (primarily those, of course, that used to belong to the defense agency) because there are no vacationing Young Pioneers all the same.

Speaking before command personnel of the district in Rostov, Gen. Grachev admitted that in the past he insisted on the minimal strength of the Armed Forces at the 1.9 million level, "but last week, Boris Yeltsin finally decided that there should be 1.5 million). At any rate, the minister reassured the command personnel: "The cuts will be smooth, no officer will suffer. First to be cut back are support services, the central apparatus, Defense Ministry scientific research institutions, as well as all manner of courses ("Vystrel" and so on) rather than large combat units in the 'special attention' districts." Also to be reduced are the clearly unnecessary units in the North (a motorized rifle regiment in Tiksi and a division in Magadan.) "What do we need so many troops on Novaya Zemlya in addition to the nuclear test site and a strategic aviation staging airfield?" the minister asked. "Who will invade those parts?" And then it is too costly to maintain troops in the North.

"We do know," the general said, "that the army in Soviet times was big but not too efficient." At any rate, one of the reasons of the not high efficiency was precisely the obsession with combat units and large units to the detriment of rear services (support) units. Therefore the further cutting of the army's tail in a bid to keep the jaws as big as possible may lead in modern conditions to serious upsets in future local "southern" conflicts. Especially given the Russian Army's typical longstanding disdain for the "rear."

Pavel Grachev was greeted in every town by singing and dancing male and female Cossacks in ethnic garb. In Anapa, in addition to the usual bread-and-salt welcome, the Cossacks offered the minister local wine, but the visitor declared that he "drinks no wine." They were also giving him self-made Cossack swords of mediocre quality. The Cossack leaders are obviously seeking the Defense Ministry's support in their attempts to restore in one form or another the rather numerous Cossack forces. But many a professional military men are irritated by "play actors" [ryazhenyye] in nondescript homemade uniforms. Generals would hardly want to spend the limited budget funds to support units in what is in fact dual subordination, and the Russian Federation's southern flank will be reinforced by regular units in the first place.

Further on Election of Buryatia President

LD0107131594 Moscow INTERFAX in English 1217 GMT 1 Jul 94

[Text] The first president of Buryatia has been elected in that republic situated in East Siberia. He is the 68-year-old Leonid Potapov, the former chairman of the republican parliament. He received more than 70 percent of the votes at the presidential elections.

According to the Central Electoral Commission of Buryatia, which is part of the Russian Federation, his runner-up Aleksandr Ivanov collected only three times less votes.

47 percent of the registered votes came to the polls on Thursday, and to declare elections valid the participation of one third of the electorate is essential.

A Russian by nationality, Potapov holds a scientific degree in economics. Before the dissolution of the CPSU, he was the first secretary of the local party committee and was then elected chairman of Buryatia's parliament and a member of the Federation Council.

June 30 was also the date of the second round of parliamentary elections in Buryatia. As a result, deputies were elected in 64 of the 65 election districts. The Central Electoral Commission has dismissed as invalid the ballot in the Evenk national autonomous region, where less than one third of the registered voters came to the polls. Run-off elections will be held there in two months time.

Election of New Leader Viewed

MK0207100094 Moscow SEGODNYA in Russian 2 Jul 94 p 2

[Yelena Tregubova report under the "Regions" rubric: "Buryatia Also Has Former Communist Party Oblast Committee Secretary for President. 'A Reformer May Become' People's Khural Speaker"]

[Text] Leonid Potapov, former first secretary of a Communist Party oblast committee and currently head of the republic's Supreme Soviet, has won presidential elections in Buryatia. According to a preliminary tally provided to SEGODNYA by the republic's Moscow mission, Mr. Potapov was supported by 36 percent of the overall number of registered voters or 72.4 percent of those who turned out for the vote.

Mr. Potapov's main rival in the first round, Deputy Council of Ministers Chairman Aleksandr Ivanov, garnered 12.6 percent of the electoral register or 25.3 percent of the actual vote. In all, turnout was 49.6 percent.

According to statistics made public by the local executive authorities, slightly less than one-third of Buryatia's voters are pensioners. It is primarily to their "social dissatisfaction" that former party activist Leonid Potapov appealed during his election campaign. Local observers confirm that precisely "grandfathers and grandmothers, raised in good, old Soviet traditions" show much better discipline than any other group in turning out to vote on election day. The pensioners together with "red directors" and chiefs of collective and state farms actually made up the bulk of the "Social Justice" electoral bloc that backed Potapov.

The coming to power in Buryatia of an old party nomenklatura representative who makes no bones about his intention to restore state control of the economy, may damage relations between the republic and the federal authorities. Representatives of the local executive branch predict that in response to the "anti-reform policy" by the new Buryat leader Moscow may "start cutting off channels of budget appropriations for the republic."

Aleksandr Ivanov, who has a reputation of a marketeer in Buryatia, will now have to resign from his posts of deputy prime minister and chairman of the State Economic Committee. According to the Buryatia Constitution, the president is entitled to appoint a new government team "with consent by the legislature." In addition, he will nominate candidates for the posts of Constitutional Court, Supreme Court, and Arbitration Court chairmen.

Buryatia's new legislature—the People's Khural—which will start its work in mid-July, was elected simultaneously with the president. The final results of the vote have not yet been determined, but according to available reports reformers won 30 to 45 percent of Khural seats. Buryatian politicians predict "a fierce struggle" for the post of Khural speaker. According to their forecasts, the victory of a democratic candidate in the struggle is a possibility. In that case a situation may come about in Buryatia that would be a mirror image of "the standoff between federal authorities," with "a conservative president and a reform-minded parliament."

Abdulatipov Favors Early Peace Accord With Chechnya

LD0207144194 Moscow INTERFAX in English 1245 GMT 2 Jul 94

[Text] The Federation Council's Vice-Chairman Ramazan Abdulatipov has spoken in favour of an early peace accord between Russia and Chechnya. He has told Interfax that three years after it proclaimed independence from Russia, Chechnya remains a factor of instability in North Caucasus.

He explained that the situation in Chechnya had somewhat changed the balance of strength in the region and has precipitated a rift between Ossetia and Ingushetia. In his opinion, each of the conflicting sides has this way or another been trying to play up the Chechnya card.

Pointing to the need for early Russian-Chechen negotiations, Abdulatipov stressed that "contacts with Chechnya should be mediated by one man, suitable to both the Russia and Chechnya sides."

He also sternly warned politicians against using the Chechen issue for political gains and said that there were lots of politicians trying to profit by what's happening in Chechnya. But that harms ties between Moscow and Groznyy, uneasy as they are, still more, Abdulatipov concluded.

Chechen Opposition Leader Makes Peace Offer

LD0407103694 Moscow ITAR-TASS in English 0955 GMT 4 Jul 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy July 4 TASS—Chechen opposition leader Yaragi Mamodayev extended an olive branch to Chechen President Dzhokhar Dudayev on Monday proposing to "begin the process of national reconciliation and personally meet in any time and in any place".

Mamodayev, who is currently staying in Moscow, told TASS by telephone that his proposal was caused by the desire to ease hardships faced by his people.

"I am sure that the Chechen people, who have been put on the brink of a civil war, will find a way to national reconciliation with or without us. But together with Dzhokhar Dudayev we can make the process less painful", he said.

Mamodayev believes the economic programme drafted by his opposition government can help consolidate the people, integrate the self-styled Chechnya into the world community and ensure well-being of its citizens.

Dudayev's reaction to the offer, which was extended through his Moscow representative, is yet unknown. But Mamodayev warned that the rejection of the olive branch "is fraught with a new wave of tension in Groznyy".

Ingush President Sees Signs of Stabilization

LD0307121794 Moscow ITAR-TASS in English 1122 GMT 3 Jul 94

[By ITAR-TASS correspondent Nikolay Styazhkin]

[Text] Stavropol July 3 TASS—"There are more and more signs of stabilisation of the situation in the Northern Caucasus," Ingush President Ruslan Aushev believes. The beginning of the return of refugees and forced settlers to Cossack villages in Ingushetia from other regions is an example of stabilisation, the leader of the Republic of Ingushetia told ITAR-TASS after his return from a visit to the Stavropol region. "Measures, outlined by the Ingush Government for the intensification of production in the republic and the strengthening of the economy, also help improve the situation in the region," Aushev stressed.

"We are not going to turn Ingushetia into a one-nation republic with the exclusively Ingush population. All its citizens will have equal rights and obligations," he continued. According to the Ingush leader, the republic is becoming equally open for economic transformations and for investments both from other parts of Russia and from abroad.

The treaty of friendship between Ingushetia and the Stavropol region, signed during his stay there, will make it possible for the republic to create this year the necessary grain reserves with the help of grain deliveries from the Stavropol region, said Yevgeniy Kuznetsov, head of the Stavropol local administration, commenting on the treaty.

Anticrime Edict Takes Effect in Novorossiisk

LD0207083994 Moscow ITAR-TASS in English 0717 GMT 2 Jul 94

[By ITAR-TASS correspondent Larisa Kislinskaya]

[Text] Moscow July 2 TASS—President Yeltsin's decree on the struggle against gangsterism is beginning to be put into effect, Colonel General Mikhail Yegorov, Russia's first deputy minister of the interior and head of the main department for the struggle against organised crime, told journalists on Friday.

As an example of the implementation of the decree's provision on special control over crime-stricken territories, he mentioned a major operation in Novorossiisk, which is one of the country's worst crime zones. All the local law-enfocement troops took part in the operation. 79 crimes were uncovered, 32 fire arms and a large amount of ammunition were confiscated. In the process of checking current incoming information, criminal investigation officers arrested a group of people who were buying and selling rare earth elements.

According to Yegorov, such operations will be held in all the Russian cities, where the crime situation is especially serious. He said that only members of organised crime groups could be arrested for 30 days. No facts of law violation have been registered by public prosecutor's offices so far.

Komi Oil Region on Verge of 'Social Explosion'

PM0107180194 Moscow SOVETSKAYA ROSSIYA in Russian 2 Jul 94 p 1

[Report by ITAR-TASS correspondent Viktor Makarov: "Oil Workers' Protest"]

[Text] Usinsk (Komi Republic)—There is a growing threat of a large-scale social explosion occurring in the city of Usinsk, where the Komi Republic's main oil industry enterprises are located. The basic cause of this is the holdup in paying wages which has gone on for several months.

This morning the number of people taking part in the hunger strike, which was started on Usninsk's central square by four representatives of the oil workers yesterday, increased to nine. Trade union chairmen are taking part in this protest action alongside workers: They are Taisya Kostyukova from the Usinskenergoneft Administration, Sergey Vyazemskiy from the central production supply depot, and Valeriy Novokreshchenov from the Arkhangelskneftegaz Gas-Extraction Administration.

The leaders of the workers' movement and trade unions are putting the following question to the organs of authority of the Komi Republic and Russia: Is the city of Usinsk needed today? If it is not, then it is essential, in their opinion, to have a state program to resettle the oil workers, construction workers, geologists, and other categories of working people from the Far North.

Yeltsin Signs Treaty With Kabardino-Balkaria Republic

LD0107125994 Moscow Radio Rossii Network in Russian 1100 GMT 1 Jul 94

[Text] Today in the Kremlin, Russian President Boris Yeltsin and Valeriy Kokov, the president of the Republic of Kabardino-Balkaria signed a treaty on division of responsibilities and on mutual delegation of powers between the Russian Federation bodies of state power and the Republic of Kabardino-Balkaria. The treaty is to help strengthen the state unity of Russia and maintain peace and civic national accord in Kabardino-Balkaria and in the entire North Caucasus region.

Far East Local Authorities Financing Border Guards

PM0407134194 Moscow KRASNAYA ZVEZDA in Russian 1 Jul 94 p 3

[Report by Vitaliy Strugovets: "Border Is Secure When Rear Services Are Reliable: In Four Months the Maritime Kray and Sakhalin Oblast Administrations Have Given 8.5 Billion Rubles' Worth of Aid to the Pacific Border District"]

[Text] The formerly axiomatic slogan "The People and the Army Are One" has not only lost its luster of late but has become a relationship seen by some people in virtually opposite terms, particularly when material and financial assistance to servicemen is involved. But—and this inspires hope—not everyone adopts such a position. The following is corroboration of that.

In the last four months alone the kray and oblast local administrations of the Far East have provided the border troops of the Pacific Border District assistance worth 8.5 billion rubles [R]. Among other things, R2.27 billion has been allocated in the Maritime Kray to construct a 210-apartment block and a military camp; 17 apartments have already been purchased in Vladivostok, and a partially constructed children's complex has been transferred to the military district's books for conversion as a 72-apartment block. By directive of the Sakhalin Oblast head of administration, coastguards have been handed two schooners from among legally confiscated Japanese ships and been allocated several tens of millions of rubles to acquire professional video equipment.

"These facts," Lieutenant General Nikolay Bordyuzha, deputy commander in chief of the Russian Border Troops, said in response to a question from me, "are the best evidence of the administration's understanding of the need for reliable protection of the borders in the interests of the kray, the oblast, and Russia as a whole. Incidentally, the local population has recently been giving active practical assistance to the district's border troop detachments and subunits: during, for example, the current 'Operation Zaslon.'"

Eighty Percent of State Property Privatized in Amur

PM0507092194 Moscow ROSSIYSKIYE VESTI in Russian 30 Jun 94 p 1

[Unattributed report" "Eighty Percent Of State Property Denationalized"]

[Text] Around 80 percent of former state property has been denationalized in the Amur border region.

"In some sectors, for example, in the agrarian sector, trade, and consumer services, the figures are even higher," Oleg Ostroukhov, Amur Oblast deputy administration chief and chairman of the state property management committee, said. "In the first six months of the year 90 percent of the state enterprises due for privatization changed their form of ownership. Approximately half of the 56 enterprises were sold at Russian local and specialized check auctions."

International Affairs

FBI Director Arrives in Kiev

LD0207140794 Moscow ITAR-TASS World Service in Russian 1205 GMT 2 Jul 94

[Text] Kiev, 2 Jul (ITAR-TASS)—Our delegation came to Ukraine to support democracy in your country, FBI Director Louis Freeh stated to journalists on his arrival in Kiev.

He stressed that the U.S. side wants to establish ties in order to fight the common enemy—crime. Freeh was hopeful about making successful joint efforts with Ukrainian colleagues to protect the citizens' rights.

During his stay in Kiev he is to have talks with Interior Minister Andriy Vasylyshyn, representatives of the procuracy, the Supreme Court, the Ukraine security service, the Foreign Ministry, Ministry of Finance, the State Customs Committee and the Committee on Safeguarding the State Border.

Talks With Law Enforcement Representatives

LD0207201994 Kiev UNIAN in Ukrainian 1800 GMT 2 Jul 94

[Excerpts] Kiev [No dateline as received]—A U.S. law enforcement body delegation, led by FBI Director Louis Freeh, paid an official visit to Ukraine today. [passage omitted]

As a UNIAN correspondent was told at the Foreign Relations Department of the Internal Affairs Ministry of Ukraine, the main objective of the visit by Louis Freeh to Ukraine was to determine mutual interests between the representatives of the law enforcement bodies of Ukraine and the United States, and also to establish personal contacts between their leaders.

At Ukraine's National Central Bureau of Interpol they told the UNIAN correspondent that during the first six months of 1994 the law enforcement bodies of Ukraine sent 22 operations requests, mainly data on economic crimes, to their counterparts in the United States.

There were negotiations today between the representatives of the law enforcement bodies of Ukraine and the United States at the Internal Affairs Ministry of Ukraine. The Ukrainian delegation was represented by Oleksandr Ishchenko, first deputy minister of internal affairs of Ukraine, chief of the Main Directorate for Combating Organized Crime under the Internal Affairs Ministry of Ukraine, Ukraine's Prosecutor General Vladyslav Datsyuk, Hryhoriy Omelchenko, chairman of the Supreme Council Commission for Issues of Combating Organized Crime and Corruption, Deputy Justice Minister Bronislav Stychynskyy, and others. A joint communique between the law enforcement bodies of Ukraine and the United States was signed upon the completion of the negotiations. In particular, it indicates that the participants in the negotiations "agreed that organized crime, drug trafficking, smuggling, terrorism, money laundering, and other economic and financial crimes are serious problems for both countries," and decided to develop cooperation and agreed to "the necessity of establishing reliable legal ways of passing data of criminal nature."

At a news conference on the results of the negotiations Hryhoriy Omelchenko, chairman of the Ukrainian Supreme Council Commission for Issues of Combating Organized Crime and Corruption, gave assurances that strict enough measures were taken in Ukraine so as to prevent nuclear weapons or their components from finding their way into the hands of criminals.

Law Enforcement Talks Conclude

LD0207180294 Moscow ITAR-TASS World Service in Russian 1708 GMT 2 Jul 94

[Report by ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik]

[Text] Kiev, 2 Jul—The signing of a joint communique today concluded the talks in Kiev between the delegations from the law enforcement bodies of Ukraine and the federal law enforcement bodies of the United States, which is led by FBI Director Louis Freeh. The sides agreed that organized crime, the spread of drugs, terrorism, money laundering, and other economic and financial crimes have become serious problems in both countries.

The organizers of the talks said at a final news conference that the Ukrainian and U.S. law enforcement bodies intend to establish reliable, secure, and legal channels for conveying information on crimes. Aleksandr Ishchenko, Ukrainian first deputy interior minister, said that "crime has become transnational and without uniting efforts it will be impossible to overcome it."

FBI Director Louis Freeh expressed his conviction that "if there is democracy in a country and there is the possibility that law can protect its citizens and their rights, then the forces of crime will be conquered." He pointed out that the U.S. side agreed with all the principles for joint cooperation with the Ukrainian law enforcement bodies. The FBI director stressed that "we have no secrets from Ukraine about our plans to fight crime. We will be very open in this respect."

Much attention was paid at the news conference to the spread of drugs. Both the sides did not rule out the possibility that drugs are being transported from Asian countries to Europe and to the United States. That is why the leaders of the law enforcement bodies considered that it was extremely necessary to establish more effective mechanisms for mutual cooperation and to jointly put up a barrier to prevent the spread of this evil.

Louis Freeh left for Moscow this evening.

Chykal Proposes Revoking Decision To Suspend Arms

LD0107095094 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 1 Jul 94

[Speech by Adam Chykal, deputy chairman of the parliamentary committee for state security and defense at Ukraine parliamentary session on 1 July—live]

[Text] Esteemed colleagues. You know that the decision to include in the agenda the question of suspending the withdrawal of nuclear warheads from the territory of Ukraine was passed by 141 votes a couple of days ago, with the proposal voiced by Oleh Vitovych.

The inclusion of this question has led to confusion in the diplomatic corps because of its' interpretation by the mass media.

As deputy committee chairman, I was instructed to study this issue. Within a short time I have studied it via the Cabinet of Ministers and must report that, in compliance with its obligations under the START-1 Treaty of July 1991 and Lisbon Protocol No. 2, Ukraine is today performing the above obligations and by now has shipped and removed to the territory of Russia 36 percent of its nuclear warheads. It has thus performed its obligations.

As for the obligations of Russia and the United States, also studied by me, these countries are performing all their obligations and, although there was misunderstanding even among members of the committee as to Russia reportedly violating the above agreement and as of June failing to deliver 25 tonnes of fuel elements, I must report that this agreement makes provision for these fuel elements to have been delivered by the end of September.

That is why I propose today and earnestly request you to delete this question from the agenda. We can only return to addressing this question in terms of how the three states will perform their obligations in future as far as providing our state with international financial and technological assistance.

As of today, however, they are all—as I have studied this question—being performed. Thank you.

Commission Concludes Russia Meeting START Obligations

LD0107120994 Moscow ITAR-TASS in English 1058 GMT 1 Jul 94

[Report by ITAR-TASS correspondent Mikhail Melnik, UKRINFORM correspondent Viktor Kovalenko]

[Text] Kiev 1 July TASS—The Ukrainian Supreme Soviet removed from the agenda today the item on a temporary suspension of the transportation of nuclear warheads to Russia. According to Adam Chykal, deputy chairman of the parliamentary commission for defence and state security, Ukraine has already moved to Russia 36 per cent of warheads. In its turn, Russia pledged to supply heat-producing units for Ukrainian nuclear power plants by September, this year.

After thoroughly examining the problem, the commission came to the conclusion that statements of some people's deputies, who maintain that Russia fails to live up to its commitments, are not true. Chairman of the Supreme Soviet Aleksandr Moroz believes that the issue should not be discussed at all, in order not to stir up the world public once again. Rukh leader Vyacheslav Chernovil shares his opinion. He believes some political forces would like to use the problem of the transportation of nuclear warheads in their electoral campaign, in the struggle for the presidential post, which should be prevented by all possible means.

Kravchuk Discusses Elections, Nuclear Issue

LD0107164394 Moscow INTERFAX in English 1404 GMT 1 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] Leonid Kravchuk feels his Russian counterpart Boris Yeltsin finds it hard to map out a Ukrainian strategy.

Asked whether Boris Yeltsin could be expected to back his candidacy in the presidential elections, Kravchuk told newsmen in Kiev he understood the problems that Yeltsin, unlike himself, had to face.

Kravchuk reminded newsmen that he supported Yeltsin in October of 1993. What he supported, he specified, was Yeltsin's line for democracy, and not the use of force. In Kravchuk's view, Yeltsin epitomized a line for democracy.

Kravchuk rejected reports on the US and Russian failure to meet pledges under the January statement on the nuclear disarmament of Ukraine but saw problems and stumbling blocks in the nuclear disarmament process.

Kravchuk explained the Ukrainian parliament's decision to consider the suspension of plans to remove the nuclear devices from Ukrainian territory by the unavailability of adequate information. He said he had already instructed the Foreign and Defense Ministers as well as the Ukrainian Vice-Premier to brief the lawmakers on the nuclear disarmament issue.

IF Note: On June 28 some members of the radically nationalistic UNA-UNSO [Ukrainian National Assembly-Ukrainian National Self-Defense Organization] organization's faction in parliament demanded that the national legislature consider the suspension of plans to rid Ukraine of the nuclear ammunition now that Russia and the United States failed to meet certain provisions of the Ukrainian disarmament agreement. On Friday, however, the Ukrainian Supreme Soviet dropped plans to consider the issue.

A high-placed Ukrainian diplomat told Interfax that the suspension of moves to remove the nuclear weapons from Ukraine would produce negative repercussions. According to the diplomat, the Ukrainian Foreign Ministry had no reports on the Russian and US failure to meet the agreement on the nuclear disarmament of Ukraine. He said Russia had already sent two trainloads of fuel-producing

elements to the Ukrainian nuclear power plants, in exchange for the removed missiles, and was about to send a third trainload.

Addressing the nuclear guarantees for Ukraine, the source said that the tripartite agreement linked the extension of guarantees to the Ukrainian decision to join the Nuclear Non-Proliferation Treaty.

In the meantime, the man who emerged as Kravchuk's adversary in the second round of the presidential elections, Leonid Kuchma, feels Ukraine ought to wait with moves to join the Non-Proliferation treaty. He feels, however, that Kiev must meet its January pledges.

Parliament Rejects Move To Stop Pullout of Nuclear Weapons

MK0207092094 Moscow KOMMERSANT-DAILY in Russian 2 Jul 94 p 4

[Report by International Department in the "Ukraine Nuclear Arms" column: "Parliament Ignores Appeals From Radicals"]

[Text] Yesterday the Ukrainian parliament took off the agenda the question of suspending the evacuation of nuclear weapons from Ukraine's territory, which was submitted 28 June by a group of deputies from the radical nationalist organization UNA-UNSO under the pretext that Russia and the United States are not complying with some provisions of the January trilateral agreement on Ukraine's nuclear disarmament. In response, Deputy Defense Commission Chairman Adam Chikal stated that according to information in his possession, Kiev, Moscow, and Washington are continuing to honor their obligations: Ukraine, for instance, has already evacuated 36 percent of nuclear charges located on its territory while Russia will deliver to Ukraine 25 tonnes of fuel assemblies for Ukraine's nuclear power stations before September 1994.

West To Aid Ukraine If Chernobyl Closed

LD0407205894 Moscow INTERFAX in English 1815 GMT 4 Jul 94

[Text] If Ukraine agrees to closing down the Chernobyl nuclear power station and accepts a European Union [EU] program, the West will aid its energy production program in the near future, French Environmental Protection Minister Michel Darnier told a news conference in Kiev Monday devoted to the results of his one-day visit to the Ukrainian capital.

Darnier met with Ukrainian Vice Prime Minister Valeriy Shmarov, Environmental Protection Minister Yuriy Kostenko, chairman of the parliamentary commission for Chernobyl issues, Vladimir Yatsenko, and the president of the National Academy of Sciences of Ukraine, Boris Paton.

The French minister recalled that the western leaders had offered Ukraine help in ensuring the safety of the Chernobyl nuclear power station and constructing new safe reactors in the Republic.

According to Darnier, the EU will render Ukraine assistance in a stage-by-stage introduction of nine such reactors.

Darnier pointed out that a G-7 summit in Naples on 8-9 July would consider closing down the Chernobyl station. Not only the U.S., France, and Japan, but also international financial institutions were ready to carry out the EU-proposed program for aiding Ukraine.

Kravchuk Says Border Relations With Russia Must Be Defined

LD0207120694 Moscow ITAR-TASS in English 1137 GMT 2 Jul 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Sumy 2 July TASS—"It is necessary to define urgently the status of five Ukrainian regions—the Chernigov, Sumy, Kharkov, Lugansk and Donets regions—which are bordering on the Russian Federation," Ukrainian President Leonid Kravchuk said at a meeting with representative of the agro-industrial complex, representatives of the president in regions and districts, heads of city and district soviets (councils), held today in the Belopol district. According to Kravchuk, they worked hard on such documents during the past year, which take into consideration all the needed legal and international norms and principles.

Ukraine, he continued, has already signed those documents, and now it is the turn of the Russian government to reciprocate. As soon as Chernomyrdin signs them, many problems connected with customs regulations will be settled. "The Ukrainian state is not interested in having a border, which is closed tight. We should have a border with the Russian Federation, which will resemble that between the U.S. and Canada, he said. However, Kravchuk believes, both sides should work for it.

"The economic situation and the overcoming of the crisis depend a great deal on the development of economic relations with Russia and other countries," Kravchuk said. He is positive that Ukraine cannot stop production decline and organise the steady and intensive work of industrial enterprises all by itself. Much remains to be done for bringing the agro-industrial complex to a new, higher level. According to Kravchuk, Ukrainian peasants will receive this year 20 trillion karbovantsy of subsidies. The Ukrainian Government will soon adopt a resolution on the final payments to agricultural workers for the farm produce they sold to the state before.

Crimea Signs Defense Industry Agreement With Russia

LD0207085094 Moscow 2x2 Television in Russian 0630 GMT 2 Jul 94

[Text] An agreement has been signed between the Government of the Crimean Republic and the Russian Federation's State Committee for the Defense Industries. It is

intended to set up interstate industrial groups, associations, and joint-stock companies, and to supply one another with materials and components.

German Defense Official Begins Visit

LD0407170494 Kiev UNIAR in Ukrainian 1445 GMT 4 Jul 94

[Text] Kiev, 4 Jul—"You have good weather both in the direct and figurative senses." This was how Joerg Schoenbohm, state secretary of Germany's Federal Ministry of Defense, began his meeting with Army General Vitaliy Radetskyy, Ukraine's minister of defense. The working meeting of the heads of the military departments was held within the framework of the official visit of Germany's military delegation to Ukraine. In Joerg Schoenbohm's words, the time allocated for the visit is too short for all problems of military cooperation to be resolved; however, the most important urgent issues will be resolved. At issue is the planning of Ukrainian-German cooperation within the framework of the Partnership for Peace program (incidentally, the meeting's participants discussed a range of issues regarding the general political situation in Europe and Ukraine's role in the process of stabilizing the situation). Germany agreed to give Ukrainian servicemen 12 tonnes of indispensible medicines. The issue of the possibility of granting a large number of Mercedes trucks to the Ukrainian Defense Ministry was discussed during the course of the meeting. The sides agreed to exchange groups of servicemen for training and recreation.

The issue of cooperation in the area of material and technical provision of the rear for Ukraine's peace-keeping forces in areas of armed conflict was discussed during a meeting with officer of the rear, Hryhoriy Mykhaylychenko, Ukraine's deputy minister of defense, and the state secretary of the Federal Ministry of Defense.

Kravchuk Urges Good Relations With Neighbors

WS0107101894 Kiev Ukrayinske Radio First Program Network in Ukrainian 1900 GMT 30 Jun 94

[Text] A regular meeting was held at the Kiev press club on 30 June. Ukrainian President Leonid Kravchuk was a guest of reporters at the meeting. The president answered questions from foreign and Ukrainian reporters, emphasizing that Ukraine will pursue the course of building a flourishing democratic state. Leonid Kravchuk, in particular, spoke in favor of introducing amendments to the taxation system and further privatization that would account for all the people's interests, not only those of certain social groups. He also supported the idea of developing equal partner-like relations with Russia and other neighbors. The world is attentively following the events in Ukraine, stressed the president, adding that Ukraine should not stray from the chosen path of reform, market, and law.

Radetskyy U.S. Visit, Danger of Return to Communism Viewed

WS3006134694 Lvov POST-POSTUP in Ukrainian 23 Jun 94 p A2

[Article by VYBIR correspondents Dmytro Konovalov and Vyacheslav Pikhovshek]

[Text] "We have a lot of problems to discuss, but hope that we will not bother each other with frequent phone calls," U.S. Defense Secretary William Perry stated at the presentation of the direct phone line connecting the Ukrainian Defense Ministry and the U.S. Department of Defense. Meanwhile, there is a widespread opinion among diplomatic circles in Washington that if Ukraine's reversion to communism accelerates its pace, nobody will be calling Defense Minister Radetskyy anyway.

While the Ukrainian defense minister was visiting the United States, his boss changed—Vitaliy Masol was approved as prime minister. In a short time, the supreme commander in chief, too, might change, and it will be everybody's guess what will happen to him then. So, a week in the U.S. Army [two preceding words in English] was meant if not to heighten his prestige then at least to make a good memory. Beside the meeting with his U.S. counterpart, Mr. Radetskyy shook hands with Al Gore, witnessed the dismantling of nuclear missile silos at an Air Force base in Elsworth, South Dakota, and visited the Air Force base in Nevada where F-117A fighters are stationed, an Air Force base in Norfolk (Virginia), and the Military Training Center in Fort Irving, California. Hopefully, he liked the military facilities better than Disneyland, which he also visited.

The word got around that Vitaliy Radetskyy seized the opportunity to complain about Russia's interference in the Crimean conflict. The response from Washington was quick in coming. "The United States is ready to consider assistance in reaching agreement between Ukraine and Russia on the division of the Black Sea Fleet," Pentagon officials said.

The "Ukrainian shift" in U.S. foreign policy and a considerable improvement of Ukrainian-U.S. relations are the results not only of a well-considered Ukrainian foreign policy, but also Russia's insolent actions in the international arena. "The bear more and more often tries to call itself a 'great power,'" said one British diplomat in an interview with VYBIR. "For people who remember the old times when the Soviet Union used to humbly call itself the 'vanguard' and the 'bright dream of workers,' this sounds hilarious. There is nothing more dangerous in the international zoo, however, than a hungry and drawn bear that did not go into winter hibernation, and this is why the British lion and Uncle Sam need to keep an eye on it." The influential ECONOMIST compared Russia's attempts to get hold of Ukrainian oil refineries and pipelines instead of payments for energy sources with the cunningness of a seasoned drug dealer. "Russia wants it all and now," one of its editorials said. "The West will have to make it clear that this is not possible."

The U.S. political and economic support very much depends on transformations in our state. So, whether we like it or not, our friends from Washington may work in Ukraine "with reservations" for a long time to come. The visit by Radetskyy is yet another example of this. The Americans agreed to assist the Defense Ministry in building houses for officers. The Ukrainian side, however, will have no influence on financing the project and creating more jobs for our construction specialists.

In the opinion of one U.S. diplomat, since the issue of nuclear weapons is gradually going down in history, no sensational results should be expected from visits by top Ukrainian military officials to the United States. "We are much more concerned with economic reforms in Ukraine," this diplomat stated, commenting on the visit by Radetskyy. "As for defense and security issues, Ukraine and the United States seem to have reached an understanding." The issue of economic aid to Ukraine is now being debated not only in the U.S. Congress, but also in the IMF and World Bank. "At a time when Western financial organizations go to former Soviet republics and the moral victories of fighters for democracy are shrugged off by the indifferent pragmatism of finance ministers, a path is being open for ex-communists to return," Adrian Karatnytskyy, president of the U.S. "Freedom House," wrote in the influential weekly NATIONAL REVIEW. "Considering material wealth as a priority, instead of morality and commitment to democratic principles, will quickly open the door for communist party hacks." It seems that the appointment of Vitaliy Masol—known in the West for reforming a market economy into a planned one—as prime minister will stir debate across the ocean as to whether they are doing the right thing in helping Red republics once again.

Zlenko Says Kiev, Moscow Must Seek Western Aid Together

LD0107195394 Moscow INTERFAX in English 1857 GMT 1 Jul 94

[Text] Ukraine and Russia must coordinate their activities on receiving aid from the West, Ukrainian Foreign Minister Anatoliy Zlenko said today.

He told journalists that "our countries have the same problems and we must act together." Zlenko said that the former concentration of the West primarily on Russia had produced a negative political and psychological impact on other post-communist countries. He added that this had complicated relations between Russia and other countries of Eastern Europe.

Zlenko said that the G-7 summit in Naples on 8-10 July could be a marking point for Ukraine since it could establish "normal cooperation between Ukraine and all other countries."

He confirmed that Ukrainian President Leonid Kravchuk had sent two letters to the G-7 leaders stating his vision of the present situation in Ukraine and the assistance which he considered necessary.

Zlenko said the letters concerned help with the elimination of the consequences of the Chernobyl accident, the development of the health care system, the stabilization of the credit and financial system and new technologies for the conversion of military enterprises.

However, Zlenko stressed that Ukraine did not want Western aid to be limited by that designated for the elimination of the consequences of the Chernobyl accident. He said Ukraine wanted a wider approach to the issue.

Zlenko said that no specific sums of aid would be discussed in Naples and that "just a political decision would be made." He added that these issues would be discussed at a special conference in Canada this autumn which would be held at the level of deputy foreign ministers or economics ministers.

Rukh Says $500 Million U.S. Credit Misused

LD0307170494 Kiev UNIAR in Ukrainian 2230 GMT 2 Jul 94

[Text] Kiev, 2 Jul—As our correspondent learned, at the Ukrainian Supreme Council session on 23 June, People's Deputy Les Tanyuk submitted a deputy request to Supreme Council Chairman Oleksandr Moroz. In particular, it says: "On 20 June 1994 THE NEW YORK TIMES published an article on its front page after which Ukraine became an object of international scandal. Last year a credit amounting to $500 million was extended to Ukraine in compliance with an intergovernmental agreement between Ukraine and the United States. Within the framework of this credit, the association "Land and People" received $70 million for a term of one year (until 30 March 1994). The association is headed (or was headed) by Oleksandr Tkachenko, the current first deputy chairman of the Supreme Council of Ukraine.

[Word indistinct] sacks of corn seeds (which turned out to be of poor quality) to the value of $2 million, as well as chemicals, office furniture, and 200 harvesters, at prices that significantly exceeded those that are universally accepted, were sold to Ukraine. (As a result of this transaction Trans Chemical and "Zenekea INK" companies received income amounting to $10 million paid as a commission); the Trans Agro firm was giving bribes to officials, foreign-made automobiles, in particular. According to General Director Mykhaylo Voheler, Mr. Tkachenko received one of these 10 foreign-made automobiles.

Today, Ukraine refuses to repay these $70 million to the City Bank that financed the deal and, therefore, the money is to be reimbursed by the U.S. Export-Import Bank that guaranteed the loan at the expense of the U.S. tax payers.

In this filthy affair, both sides—the U.S. and the Ukrainian—proved to be immoral. No wonder that, together with journalists, we are asking: "What do U.S. citizens think of us, the citizens who work honestly and pay proper

taxes to their state so that Mr. Tkachenko and his Communist colleagues—"agrobusinessmen" could enjoy driving luxury foreign-made cars?"

The People's Movement of Ukraine [Rukh] insists that a deputy commission be set up with the participation of international experts to investigate the fraud. Mr. Tkachenko must either disprove the above data or, if it is confirmed, to tender his resignation, emphasizes the deputy request signed by Les Tanyuk.

Tatarstan Signs Trade Agreement With Crimea

LD0407180594 Kiev UNIAN in Ukrainian 1500 GMT 4 Jul 94

[Text] Simferopol [no dateline as received]—A 17-person delegation from the Republic of Tatarstan, led by Prime Minister Mukhammat Sabirov arrived in the city on 4 July for the opening of the Republic's mission in Crimea. The delegation met Deputy Chairman of the Supreme Council Viktor Mezhak and Deputy Prime Minister Yevhen Saburov. A trade and economic agreement was signed between the Republic of Crimea and the Republic of Tatarstan.

The delegation is expected to meet President of Crimea Yuriy Meshkov. The delegation will leave for Sevastopol late in the evening to attend the opening of Tatarstan's mission in Crimea.

Kravchuk on Promoting Industry, Support for Agriculture

LD0207132994 Kiev Radio Ukraine World Service in Ukrainian 1200 GMT 2 Jul 94

[Text] We should create such conditions that would allow the protection of the national producer. We cannot put up with the fact that foreign-made goods imported to Ukraine's market, which do not differ from those produced in our state, are more expensive than our own products. Ukraine's President Leonid Kravchuk stated this at a meeting with the workers of the agro-industrial complex held in Kozeletskiy Rayon, Chernigov Oblast, on 1 July.

He underlined that at present, essential support should be rendered to the countryside. It is inadmissible to leave peasants face to face with their misfortunes and hardships. The head of the Ukrainian state reported that already next week the government would take a decision on finally settling accounts with the countryside workers for the agricultural produce that they sold to the state earlier.

Kravchuk dwelled in detail on issues pertaining to the development of the processing industry in Ukraine. He pointed out that the economic independence of Ukraine, as a sovereign state, can be viewed at an angle of setting up its own production capacities.

On the same day, President Kravchuk met representatives of the public, local authorities, and representatives of parties and movements in Chernigov. He described the socioeconomic and political situation that took shape in Ukraine. According to Kravchuk, Ukraine has not yet come out of the economic crisis, however, there are industries in which very significant steps have been made to stop the decline in production. First and foremost, this refers to metallurgy and separate branches of mechanical engineering. According to the president, over the past three years much more has been done in the above industries than over the previous 15 years.

The head of state stressed that in Ukraine, as is known, heavy and coal mining industries were not developing. The former Soviet Union was channeling all the funds mainly to Russia. However, technological as well as scientific and technical prerequisites have been created in Ukraine so as to produce quality and competitive products. Now we should do everything possible to promote our goods to the world market, stressed Kravchuk.

In his opinion, the treaty, which he recently signed with the European Union in Luxembourg, will contribute toward that end.

National Affairs

Kravchuk Signs Edicts Reshuffling Cabinet

WS0107144494 Kiev Ukrayinske Radio First Program Network in Ukrainian 1400 GMT 1 Jul 94

[Text] Ukrainian President Leonid Kravchuk has signed edicts appointing Yevhen Kyrylovych Marchuk as Ukrainian deputy prime minister, Mykola Oleksandrovych Shulhin as minister for national minorities and immigration, and Volodymyr Ivanovych Maltsev as minister of health care. The president's edicts approved the resignation of Ukrainian Deputy Prime Ministers Volodymyr Vasylyovych Demyanov and Valentyn Ivanovych Landyk, as well as Oleksandr Ivanovych Yemets, the minister of national minorities and immigration, upon their request. Yuriy Prokopovych Spizhenko is relived from the post of health care minister in connection with the responsibilities of people's deputy which he has assumed on a permanent basis.

Releases Acting Premier

LD0407200994 Moscow INTERFAX in English 1856 GMT 4 Jul 94

[Text] Ukrainian President Leonid Kravchuk relieved Yefim Zvyagilskiy of his duties as acting Ukrainian prime minister due to what he called appointment to "another post" on 4 July.

INTERFAX-Ukraine has learned from well-informed sources that Zvyagilskiy will move to diplomatic work in the near future.

Zvyagilskiy has headed the Ukrainian Government since September 1993 when his predecessor, Leonid Kuchma, tendered his resignation.

Appoints New Ministers

LD0107140494 Moscow INTERFAX in English 1349 GMT 1 Jul 94

[Text] On Friday Ukrainian President Leonid Kravchuk appointed Yevgeniy Marchuk, head of Ukraine's Security Service, to the post of the republic's vice premier.

In accordance with the presidential decree on government staff rearrangements Vice Premiers Valentin Landik and Vladimir Demyanov, as well as Public Health Minister Yuriy Spizhenko and Aleksandr Yemets, Nationalities and Migration Minister, were released of their posts so as to be able to carry out the duties of deputies.

Vladimir Maltsev has been appointed to the post of Ukraine's Public Health Minister and Nikolay Shulga - Nationalities and Migration Minister.

Negligible Damage in Sevastopol Blasts

LD0407172694 Moscow INTERFAX in English 1529 GMT 4 Jul 94

[Text] Between 0015 and 0600 on Monday [4 July] six homemade bombs exploded in different parts of Sevastopol. According to INTERFAX-Ukraine, no one was hurt and damage negligible.

Law enforcement bodies stated that all the small but carefully made bombs were planted in refuse bins or drain-pipes near facilities belonging to or rented by a trade chain owned by a prominent Crimean businessman and member of the Crimean parliament Sergey Shuriga. The facilities include the city's most prestigious restaurant Dialog and the Crimean Christian Commercial Bank also controlled by Shuriga.

Observers link the blasts with the recent death in the local gang war of the leader of the Crimean Christian-Liberal Party and businessman Yevgeniy Podanev. Shuriga belongs to the same party.

Moroz Declines To Campaign for Kravchuk or Kuchma

LD0107163694 Moscow INTERFAX in English 1404 GMT 1 Jul 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] The speaker of the Ukrainian parliament Aleksandr Moroz has no intention of campaigning in favor of either of the two frontrunners in the presidential race.

He dismissed rumors on a certain agreement between himself and either Kuchma or Kravchuk as provocative innuendo.

He never intended, let alone pledged, to campaign for either of the two, he said.

In his capacity of the head of the Supreme Sovict he could not afford to take a biased approach to a participant in an electoral race, Moroz said.

Another presidential nominee, Vladimir Lanovoy, told newsmen Thursday he had no intention of calling on his supporters to vote for either Kuchma or Kravchuk. In Lanovoy's view, those who supported him in the first round of the elections ought to make independent decisions on their future moves. IF Note: In the first round of the Ukrainian elections a little more than 13 percent of the voters cast ballots for Aleksandr Moroz and some 9.5 percent - for Vladimir Lanovoy. In the first round Leonid Kravchuk outscored Leonid Kuchma by 6.5 percent of the overall ballot. Observers feel that the supporters of Lanovoy and Moroz could sway the vote on July 10.

Moroz Sees No Dramatic Change After Elections

MK0507073094 Moscow SEGODNYA in Russian 5 Jul 94 p 1

[Report by SEGODNYA: "Ukraine Government Composition Agreed"]

[Text] Supreme Soviet Chairman Oleksandr Moroz has revealed during meetings in Kiev with representatives of the diplomatic corps who have been accredited in recent days that "there will be no revolutionary changes following the election of president" because he is a supporter of a parliament-presidential form of government. The cabinet will apparently be formed and confirmed by the Supreme Soviet this week. Candidacies have been agreed upon in the deputy groups and factions and have raised no special objections.

Kuchma Advisers Allege 8 Percent of Votes Falsified

LD0207203094 Kiev UNIAN in Ukrainian 1745 GMT 2 Jul 94

[Text] Kiev [no dateline as received]—At a meeting with journalists today, Dmytro Tabachnyk and Petro Lelek, advisers to Leonid Kuchma, president of the Ukrainian Union of Industrialists and Entrepreneurs, made public a statement on the falsification of the presidential election.

According to the information of Leonid Kuchma's election staff, the number of falsified voting papers comes to eight percent of the total number of votes. According to information from the "Grushin" Russian Institute of Sociological Research, it is 6-6.5 percent.

According to Petro Lelek, the election staff have documents confirming the existence of extra voting papers, completed in Leonid Kravchuk's favor. According to preliminary calculations, the polling stations, which delayed information on the election results, had the most violations, because of which they gave most votes to Leonid Kravchuk, president of Ukraine.

The final results of the calculation of falsifications and violations will be known this evening.

According to information obtained by a UNIAN correspondent from informed sources, the number of extra voting papers came to half a million.

Communist Party Holds Plenum, Assesses Election Results

LD0207184394 Kiev UNIAR in Ukrainian 1350 GMT 2 Jul 94

[Text] Kiev, 2 Jul—The Central Committee of the Communist Party of Ukraine has held its plenum. In line with the agenda the plenum summed up the results of the elections to the local bodies of power in Ukraine, considered the issue on preparations for the second congress of the Communist Party of Ukraine and the results of fulfilling the first party congress. Petro Symonenko, first secretary of the Central Committee and people's deputy to the Supreme Council of Ukraine, delivered a report. He pointed out in particular that the results of the elections were ambiguous: Previous victories of the left-wing forces, in his opinion, forced the party of power to actively interfere in the election campaign and the elections, resorting to means that were not always legitimate. "Those who supported the party of power are in a hurry to announce a defeat of the left-wing forces. To speak of a defeat would mean to simplify things, because a large part of the electorate did not take part in the elections. Altogether 16.5 million electors voted Leonid Kravchuk down." Commenting on Leonid Kuchma's candidacy, Petro Symonenko said the attitude of the Central Committee of the Communist Party of Ukraine toward this candidate was critical because "his stand on certain issues is incomprehensible."

To Support Kuchma in Runoff

LD0407115594 Moscow INTERFAX in English 1131 GMT 4 Jul 94

[Text] The Ukrainian Communist Party has taken the decision to support ex-premier Leonid Kuchma during the second round of presidential elections on July 10, a member of the Communist Party's Central Committee, who preferred to remain anonymous, told INTERFAX-Ukraine.

The Communist Party has 122,000 members. It is one of the most numerous political parties and has the biggest parliamentary faction consisting of 86 members.

During the first round the communists campaigned for Ukrainian parliament speaker Aleksandr Moroz, who scored 13 percent of the votes.

During the second round, the choice is to be made between Kravchuk and Kuchma. Kravchuk scored 6.5-percent more votes than Kuchma.

Not all members of the Central Committee favored Kuchma's candidacy. However, the decision was taken despite some serious disagreements with Kuchma's program.

The same source said that the Socialist Party had failed to adopt a program for unconditional support for either of the candidates.

Communists Decline To Support Kravchuk

LD0207193494 Moscow ITAR-TASS in English 1852 GMT 2 Jul 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 2 July TASS—Ukrainian communists will not support the candidature of Leonid Kravchuk in the second round of presidential elections, in accordance with today's decision of the Ukrainian Communist Party's Central Committee plenary.

As for Leonid Kuchma, every communist should decide for himself whether to support the presidential candidate or not because several provisions of Kuchma's election program do not correspond to the party program.

"Evidently the majority of communists will vote for Leonid Kuchma," First Secretary of the Ukrainian Communist Party's Central Committee Pyotr Simonenko told an exclusive ITAR-TASS interview.

He thinks that the third position gained by Parliament Speaker Aleksandr Moroz in the first election round and the election of left-wing forces to local councils can be estimated as a defeat of national democrats. In the words of Simonenko, left-wing forces head local power bodies in some Ukrainian regions.

Crimean Tatar Majlis Urges Vote for Kravchuk

LD0407130494 Kiev UNIAN in Ukrainian 1145 GMT 4 Jul 94

[Text] Simferopol [no date as received]—A meeting of the Majlis of the Crimean Tatar people was held on 3 July with the participation of Yuriy Byelukha, head of the Ukrainian Cabinet of Ministers' sector for issues of nationality policies and cults.

The Majlis adopted an address to the community with an appeal to all voters to take an active part in the presidential elections and to vote for Leonid Kravchuk. The address states: Leonid Kravchuk, president of Ukraine, is implementing a consistent policy with regard to preserving the territorial integrity of the Ukrainian state which the world community understands and actively supports."

Refat Chubarov, deputy chairman of the Majlis of the Crimean Tatar people, in an interview with a UNIAN correspondent, said: The Crimean Tatars always distinguish themselves by their consistency and principled stance when deciding their position. We always proceed from the aspiration to preserve peace and calm in Crimea, taking into account the interests of all inhabitants, which enables one to make the right political steps. Leonid Kravchuk not only declares these very principles in his election program but also implements them."

Rukh Chairman Explains Support for Kravchuk

LD0307192894 Moscow NTV in Russian 1700 GMT 3 Jul 94

[From the "Itogi" program]

[Excerpt] [Passage omitted]

[Unidentified correspondent] At the last stage of the elections, the National Democrats began to think Leonid Kravchuk was a bastion of peace and sovereignty.

[Begin Rukh Chairman Vyacheslav Chernovil recording, identified by caption] We cannot allow ourselves to completely halt reform, to subordinate ourselves to the military-industrial complex, and to lose our sovereignty. That is what is linked with the name of Kuchma. [end recording]

[Correspondent] Leonid Kravchuk himself thinks that elections have been taking place too frequently in Ukraine recently.

[Begin Kravchuk recording] People have no time to think any more. They hope that if they set up a new Supreme Council it might work well. Or elect a new president for everybody—things might get better. All we will do is procrastinate instead of tackling real issues. [end recording]

[Correspondent] For some reason it is not socially acceptable in Ukraine to mention the possibility of the second round of elections falling through. But even in this case Leonid Kravchuk is well off: His powers would then be prolonged indefinitely.

Kravchuk Comments on Elections 2d Round

LD0407114694 Moscow INTERFAX in English 1039 GMT 4 Jul 94

[Text] Ukrainian President Leonid Kravchuk is convinced that the second round of presidential elections will take place on 10 July and that the Ukrainian people will vote for "democracy and a strong and independent Ukraine."

In an interview with national TV he described the presidential elections as historic and decisive.

He also said that an end must be put to the dispute where Ukraine is going and what it is building. The people want different branches of authority to stop the tug of war, and to protect and promote the development of Ukraine, said Kravchuk.

Observers doubt that more than 50 percent of the voters will come to the polling stations during the second round of presidential elections, when ex-premier Leonid Kuchma will be Kravchuk's rival.

Kravchuk, Kuchma Alloted Television Time 4, 5 Jul

LD0307002994 Kiev UNIAN in Ukrainian 1840 GMT 2 Jul 94

[Text] Kiev [no date as received]—The Central Electoral Commission for the election of a president and people's deputies of Ukraine met on 30 June. Ivan Yemets, chairman of the Central Electoral Commission, reported the final results of the first round of the presidential election. The Central Electoral Commission set 10 July 1994 as the date for the run-off election.

The protest by presidential candidate Leonid Kuchma regarding unequal conditions in the coverage of the candidates' election campaigns was examined at the session. In connection with this, Viktor Pasak, vice president of the state television and radio company, replied officially to this complaint, saying that not a single violation of the schedule of appearances by candidates on statewide television had been recorded. A protocol decision was adopted to charge the state television and radio company with ensuring equal opportunities for the candidates. It was decided that Leonid Kuchma would appear on television (and simultaneously on radio) on 4 July, and Leonid Kravchuk on 5 July. A "hot line" with replies to viewers' questions will be broadcast live at 2130 [1830 GMT] on 7 July.

Information on the registration of candidates for people's deputy was also heard at the session. Several people's deputy candidates were also taken out of the running, whom electoral commissions had determined were in violation of the law.

Successful Local Council Elections Conclude

LD0407165794 Kiev UNIAN in Ukrainian 1500 GMT 4 Jul 94

[Text] Kiev—A special working group of Ukraine's Supreme Council Secretariat has published the final results of elections for local council chairmen and deputies. A total of 161,274 out of 164,315, or 98.1 percent, of deputies of all council levels have been elected, working group leader Viktor Volonets told UNIAN. He said that 10,892 out of 11,443, or 95.2 percent, of council chairmen have been elected. These include 17 oblast council chairmen and the chairman of Sevastopol town council. Seven oblasts and the city of Kiev will hold runoff elections. Chairmen have been elected in 60.2 percent of city, 91.1 percent of rayon, 77.8 percent of town, 91.2 percent of township, and 96.8 percent of village councils. Viktor Volonets is convinced that these results have disproved politicians' predictions that the elections would fail or have a low rate of success. UNIAN has been informed that the Supreme Council will discuss this week the draft law "On local self-government in Ukraine," which will define the functions of newly-elected councils.

Kravchuk Visits Sumy Oblast, Comments on Border Issues

LD0207180894 Kiev UT-1 Television Network in Ukrainian 1600 GMT 2 Jul 94

[Passages contained within quotation marks are recorded]

[Text] Leonid Kravchuk, president of Ukraine, on 1 and 2 July, has been on a working visit to Sumy oblast. The president started his tour by visiting the Sumy state university on its graduation day, and also visited the Viktoriya agricultural firm in Belopolskiy rayon, where he was about the beginnings of regional economic self-government in Sumy oblast and what it means for Ukraine. He replied:

[Kravchuk] "Well, this is now beginning to acquire slightly more precise significance and definition. For the law, which Ukraine's Supreme Council has adopted, is still of a framework nature. After this, several more laws will be adopted. One of them is very important—the law about the state powers of local bodies of authority. That is, the local bodies of authority will fulfill both a self-governing, as they say, representative regional function, and a state function to the extent that Ukraine's Supreme Council delegates to them." Asked about Sumy oblast's border status, and its not yet being determined, Kravchuk replies:

[Kravchuk] "No, it has not been determined, but yes, it will be done without fail. All of this has already been elaborated. By all this I mean documents, which define the status, which border oblasts need. These are Chernigov, Sumy, Kharkov, Lugansk and Donetsk oblasts. We have five border oblasts on this side. Intensive work has been continuing on the documents for approximately a year. Our Ukrainian side has already signed this. Now the Russian side, Russia's Government, Viktor Stepanovich Chernomyrdin, has to sign. Then these very complex issues connected with customs duties, simply crossing the border and border trade will be resolved. It is impossible to sever the ties that existed here. Because, well, the border crosses a village; the village is on this side and on that side. This is understandable, there are people here, and relatives, and everything. Therefore, we will resolve this problem without fail."

Kravchuk Comments on Relations With Russia

LD0507014594 Moscow ITAR-TASS World Service in Russian 0010 GMT 5 Jul 94

[Report by UKRINFORM correspondent Yevgeniy Zakharyash—TASS]

[Text] Vinnitsa, 5 July—"Relations with Russia can be good or very good. There is no other way. It is necessary at all costs to seek a basis for improving mutually beneficial and equal cooperation between the two Slavic peoples," Ukrainian President Leonid Kravchuk told a news conference in Vinnitsa. He is currently touring the republic as part of his election campaign.

Touching upon the Republic's political problems, he noted that the Ukrainian Supreme Council was to adopt laws on division of powers of the heads of state and government.

He also touched upon problems encountered during the preparation and adoption of laws and, first and foremost, the Constitution of Ukraine. The powers of the authorities and the principles of cooperation between the central and local authorities are still unclear, he noted. Leonid Kravchuk thinks the president should have small representations in the localities with monitoring rather than executive powers.

Curbing of Meshkov's Powers Justified

944K1627A Simferopol KRYMSKIYE IZVESTIYA in Russian 28 Jun 94 p 1

[Article by S. Nikulin, chairman of the Permanent Commission on State Construction, Legislation, Rule of Law, and Legal Order of the Supreme Council of the Republic of Crimea, under the "At the Readers' Request" rubric: "True to His Promises"]

[Text] The clashes noted recently between the executive and legislative branches of power and the refusal by the Supreme Council of Crimea to approve certain of the president's edicts are particular manifestations of a larger problem.

Its essence cannot be reduced to merely the lack of resolution of certain constitutional-legal aspects of relations between the two branches of power. Up to this point the question of the form of government has not been resolved: Is Crimea a republic with a parliamentary, presidential, or parliamentary-presidential form of government? Until recently, Crimea had a typical parliamentary form of government. With the adoption of the "Law on the President," the structure of state power can be characterized as mixed: parliamentary-presidential, whereby the members of the government proposed by the president are subject to confirmation by parliament, that is, it is presumed that the president will rely on some faction or coalition of factions in parliament.

With Ye. Saburov's appointment to the post of deputy prime minister, it became obvious that there was a tendency to copy the structure of state power from the model of Russia, where after the tragic events of 3-4 October the parliament was transformed into a State Duma under the president—an organ that in reality decides nothing and in reality is responsible for nothing. We are now witnessing a certain aspiration to absolutize the power president's administration.

The straight facts in support of this thesis should be noted. Appointments of chairmen of state committees have been taken out from the control of the Supreme Council, an edict has appeared on transferring Crimea's state property fund to the jurisdiction of the government, and a demand has been made to grant the executive power the "right of the edict." Here we see the aspiration of Saburov's team to unlimited power, and the desire to escape any control on the part of the parliament, as occurred in Russia after the firing of weapons on the Supreme Soviet.

Many citizens still cannot understand why certain of the president's edicts have not received support when the "Russia" faction has a majority in the Supreme Council of Crimea. It should be recalled that Yu. Meshkov was nominated as a presidential candidate from the Republican Party of Crimea, of which he was the chairman, and he later received support from the "Russia" electoral bloc.

But the state of affairs that exists now is such that neither the president's administration nor the government of Crimea has anything to do with the Republican Party or the "Russia" bloc. It is not even clear whether Mr. Saburov is familiar with the program of the Republican Party or the "Russia" bloc, or whether his cabinet intends to follow it. Certain statements and practical actions of Mr. Saburov and members of his team run counter to the program.

In this situation it would not make sense to give unlimited power to the cabinet, which is not backed by any political force of Crimea and has not submitted a clear-cut program. Mr. Saburov's statement of the desire of the "Russia" faction to "smuggle" "its own" people into the government is confusing.

Going into the elections with a particular program and having received the votes of a majority of the citizens of Crimea, the Republican Party of Crimea and the "Russia" faction are responsible for their pre-election promises and have the right and the capability of forming a government that will carry them out and not act in opposition to them.

One should also remember an excerpt from the program of the Republican Party and the "Russia" bloc with which Yu. Meshkov went to the elections. "The president is the head of state. The head of the executive power is the prime minister, who is elected by the Supreme Council and is answerable to it."

The statements of members of Ye. Saburov's team about attempts on the part of the deputies to "seize power" can be explained only by ignorance of the president's pre-election promises.

The Republican Party of Crimea and the "Russia" faction are true to their pre-election promises and are speaking out against unlimited power of the current government to one end—to have the opportunity to control its actions on behalf of the people.

Republican Party Seeks 'Additional Powers' for Meshkov

LD0207215394 Kiev UNIAR in Ukrainian 1550 GMT 2 Jul 94

[Text] Simferopol, 2 Jul—The Republican Party of Crimea has addressed a demand to Crimea's Supreme Council urging that President Yuriy Meshkov be urgently granted additional powers to be used in the process of forming and strengthening the Ministry of Internal Affairs, the Ministry of Justice, and the Security Service of Crimea.

Finance Minister Pushes for Subsidy Cut

944K1628A Simferopol KRYMSKAYA GAZETA in Russian 29 Jun 94 p 1

[Interview with Republic of Crimea Minister of Finance L.M. Zaytseva, by Yelena Gornaya; place and date not given: "Lyudmila Zaytseva: 'Cutting Inefficient Expenditures Also Amounts to Budget Revenue'"]

[Text] **Last week the session of the Crimean Supreme Council considered the question of increasing targeted subsidies to low-income population strata in connection with the necessity to raise bread prices. A corresponding decree was prepared by the end of the plenary meeting but held up until the president speaks up on this sensitive topic. In all probability, the president is not going to propose any unexpected solutions. Minister of Finance L.M. Zaytseva comments on the situation with the Crimean budget.**

[Zaytseva] The growing crisis phenomena in the Crimean economy create difficult conditions for the budget's execution. Over the past five months the Crimean treasury's revenue amounted to 2.7 trillion karbovantsy, or less than a half of the expected amount; as a result, the ability to finance budget expenditures is extremely limited. The budget's debt to institutions, enterprises, and organizations has exceeded 2 trillion karbovantsy. Because of the lack of money, equipment purchases and capital repairs in schools, hospitals, nursing homes, and child-care facilities have been practically suspended. There is not enough money for vacation pay to teachers, insignificant as their salaries are. It is obvious that we cannot cut anything from that sphere to subsidize the bread-baking industry.

[Gornaya] Does the problem stem from the fact that the amount of subsidies planned for the year already has been "consumed" by the beginning of summer?

[Zaytseva] Precisely. Of the 153 billion karbovantsy appropriated for the year, we have 13 billion karbovantsy left. The situation will be exacerbated in the second half of the year, when prices for new grain, according to preliminary estimates, will increase by a factor of 1.5. Due to this factor alone, if we keep the current level of retail prices for bread, we will need at least an additional 760 billion karbovantsy. This is as much as we need to meet the needs of education, health care, and culture all together. In these circumstances, the current system of subsidizing bread becomes unjustified, since it envisages selling bread at subsidized prices to everyone, without taking into account the level of income, including visiting vacationers. Each visitor who buys cheap bread currently receives about 25,000 karbovantsy a month as our gift. And at the same time we are trying to find some additional means, introduce resort fees, in order to replenish local budgets' revenue.

Meanwhile bread-baking enterprises are swamping the government with cables, threatening to stop production because of the lack of money to purchase input materials, and no longer take the responsibility to maintain supply. If we stop subsidizing the monopolists, this will open opportunity for small enterprises, mini-bakeries; competition will develop, which in the final analysis will influence bread prices in the downward direction.

[Gornaya] Unfortunately, this is not going to happen instantaneously. In the interim, bread will become more expensive for everyone. Which categories of the population will receive the targeted subsidy?

[Zaytseva] About 300,000 Crimea residents. This is pensioners whose pensions are below 180,000 karbovantsy; children in families where income per family member is below 120,000 karbovantsy; children of single mothers and mothers with many children; and others. I want to point out that increased subsidies have already been paid since April, despite the fact that bread prices were brought down to the old level then. We propose to increase targeted subsidies by shifting part of the budget means.

[Gornaya] At the session some deputies reproached the government: "We did not invite you here to tell us that there is no money in the budget. Find how to replenish it...."

[Zaytseva] Cutting inefficient expenditures also constitutes budget revenue in kind. By switching to targeted subsidies, we not only stop providing a free ride for visitors—this will also reduce the uncontrolled growth of costs in the bread-baking industry, will allow us to save money on interest on loans, and so on. We propose a number of other sources to replenish the budget, including restoring excise tax on wines, which is quite justified during the vacation season. In addition, to cover budget expenditures, the government proposed to cut the administrative apparat by 30 percent and expenditures for the legislative branch by 20 percent, and direct this money into bread subsidies for low-income people. The deputies welcomed the former proposal with enthusiasm, but for some reason rejected the latter.

[Gornaya] By the way, what will the new Supreme Council cost the Crimean taxpayers?

[Zaytseva] It is estimated that in the second half of this year the expenditures associated with outfitting the deputy corps will amount to about 90 billion karbovantsy.

[Gornaya] And what amount will be needed for the same period for subsidies to low-income population?

[Zaytseva] To compensate them for the full cost of bread in quantities corresponding to biological consumption norms for half a year, we will need an estimated 122 billion karbovantsy. We hope to get this money from the restored excise tax.

Army Facing Continuing Mass Desertions

LD0207201194 Moscow Mayak Radio Network in Russian 1830 GMT 2 Jul 94

[From the "Slavyanka" program of the Russian Defense Ministry]

[Text] General Vilen Martirosyan, chairman of the committee for the social protection of Ukrainian servicemen, has stated that the program for returning Ukrainians who have served in other CIS states to the Republic's Army has collapsed: Of 150,000 servicemen, only 20,000 have returned. At the same time up to 60 percent of young officers have expressed their desire to be discharged into the reserve. The scourge of the Ukraine Army is the continuing mass desertion of privates and sergeants. Some of the units have only 30 percent of personnel.

Foreign observers note that the number of generals in the Ukrainian armed forces in the past two years has risen three-fold, and now numbers 300.

Defense Minister Concerned Over State of Armed Forces

LD0307095194 Kiev UNIAN in Ukrainian 1800 GMT 2 Jul 94

[Text] Lutsk [no dateline as received]—Ukraine's Defense Ministry press service reported on 2 July that the summer training of Ukraine's Armed Forces has got under way. In particular, combat training sessions and inspection parades have been held and the fighting skills of the personnel have been thoroughly checked at a mechanized division stationed in Vladimir-Volynskiy and at all other military units.

During his working trip to the above division on 1 July, Ukraine's defense minister, Army General Vitaliy Radetskyy, paid attention to the state of hardware and the level of servicemen's professional training. Apart from being concerned, in general, at the state of affairs within Ukraine's Armed Forces, as the minister told local journalists, the last drop that made the cup of his patience run over was an accident involving an airplane at a military airfield near Lutsk. During a technical inspection on land—the scavenging of engines—the airplane blew up and caught fire. Four servicemen were injured, one of them is in a critical condition.

Kravchuk Introduces Pay, Pension Increases for Servicemen

LD0207182094 Kiev UNIAN in Ukrainian 1300 GMT 2 Jul 94

[Text] Kiev [dateline as received]—A UNIAN correspondent learned today from sources close to Ukraine's Ministry of Defense that a message from Army General Vitaliy Radetskyy, Ukraine's minister of defense, has been received by military units and establishments. In particular, it notes that, notwithstanding the economic difficulties facing the country, the president of Ukraine is searching for possibilities to ensure the social protection of servicemen.

In particular, in June alone, special-purpose payments and rewards for parachute jumps were increased, a rate for the job for noncommissioned officers appointed to officer posts was established, and a 10-tariff scale for warrant officers of companies and batteries and commanders of platoons, which considerably exceeds their pay, was introduced.

The pay restriction when determining pensions has been withdrawn as of 1 July, as a result of which the size of pensions has increased considerably. A decision has been adopted to increase the pay of servicemen of all categories beginning 1 July.

At the proposal of the president of Ukraine, issues regarding the annual construction and use of up to 24,000 apartments for servicemen are being resolved. The procedure for insuring servicemen with a payment equalling 10 annual salaries, an increase in the size of pensions of up to 90 percent, the introduction of full rations, and the increase of compensatory payments for fixed- term renting

of accommodation by officers and noncommissioned officers without apartments are under review. An allowance of up to 50 percent for fulfilling the duties of several posts simultaneously is envisaged.

Discipline in Army Unsatisfactory; 14 Deaths in Jun

LD0207193094 Kiev UNIAN in Ukrainian 1300 GMT 2 Jul 94

[Text] Kiev [no dateline as received]—A UNIAN correspondent learned today that a telegram from Army General Vitaliy Radetskyy, Ukraine's defense minister, was received by military units and establishments, which analyzed the state of law enforcement and military discipline in June. In particular, it notes that this work by commanders and staffs remains unsatisfactory.

The telegram notes that especial concern is caused by the numerous cases of deaths, conditioned by the lack of control over personnel, with negligence in maintaining statutory order, and in organizing educational work with servicemen. In particular, of 14 cases of deaths in June, four of them were connected with unauthorized and disorganized swimming by servicemen in forbidden locations. The same number of persons died because of violations of the rules of operation of military and personal transport. Two servicemen committed suicide.

Unauthorized absences from units, drunkenness, and fights have not ceased. Thus, on 11 June three soldiers left their unit without authorization and while in a drunken state got into a fight, during which Private V. Senchenko stabbed Private V. Myronov, as a result of which the latter died.

Notwithstanding the work done in the services, there are still cases of an irresponsible attitude on the part of officials to the storage of weapons and ammunition. In particular, on 9 June a pistol went missing in the store of one military unit. It was ascertained that because of the irresponsibility of I. Borodatyy, head of the store and a noncommissioned officer, Private S. Sovkin stole it during work at the store. On 10 June at Shepetovka station militia employees detained Junior Sergeant M. Vovchok. Sixty-five machine-gun cartridges were discovered on him. He had endeavored to sell them while absent without leave, but with the knowledge of M. Yashchuk, the company's sergeant major.

Kuchma Says Ukraine Should 'Get Rid of Nuclear Weapons'

LD0507062994 Moscow ITAR-TASS in English 0553 GMT 5 Jul 94

[Report by ITAR-TASS correspondent Mikhail Melnik]

[Text] Kiev 5 July TASS—Ukrainian presidential candidate Leonid Kuchma promised to abide by all international treaties and said the country should get rid of nuclear weapons as they pose a big danger.

"Ukraine should urgently get rid of missiles deployed on its territory," he said on national TV late on Monday [4 July] explaining that the nuclear missiles can cause a disaster worse than the Chernobyl one.

"If I become the president I shall fulfill all interstate treaties signed by Ukraine," he stressed.

However, Kuchma said that "there should be no haste" in ratifying the START-1 treaty by the Ukrainian parliament.

Shmarov Supports Nuclear Engineering, Demands More Help

WS0507105194 Kiev KIYEVSKIYE VEDOMOSTI in Russian 28 Jun 94 p 6

[Report by Viktor Demenev: "Deputy Prime Minister Shmarov: 'I Consider Power Engineering the Pinnacle of Human Thought'"]

[Text] Ukrainian Deputy Prime Minister Valeriy Shmarov has recently visited the Chernobyl nuclear power plant. He toured the plant's units, "Shelter" facility, and Slavutich. In an interview with one of our correspondents he said the following:

Specialists dealing with this problem have no doubts—Ukraine has and will continue to have nuclear power. This is the key component of the entire energy complex, and its importance will continue to increase.

People have different attitudes toward nuclear power engineering. I consider it the pinnacle of human thought, a manifestation of technological progress. Hydroelectric power stations generate only 1 to 2 percent of our electricity, while nuclear stations produce an average of 33 percent of commodity production [tovarnaya produktsiya], reaching 42 percent in wintertime. You cannot ignore this. Given the great importance of nuclear power engineering, the government has devised a program for its development. The Ukrainian president also issued an edict in this regard.

At the same time, Valeriy Shmarov continued, another antinuclear campaign got under way in the West this spring, agitating international public opinion. It is based on the so-called Chernobyl syndrome, evoking memories of the 1986 meltdown. This campaign is gaining momentum in certain countries. Of course, grim consequences of the accident, as well as the presence at the station of equipment that is not up to the highest standards of nuclear safety, provide all grounds for staging such a campaign. Incidentally, a special International Atomic Energy Agency [IAEA] meeting held in Vienna recently was devoted to this problem. It was put as straightforwardly as follows: problems of Ukrainian nuclear power engineering and safety of RBMK-type reactors. Two IAEA commissions worked at the Chernobyl station from March to April. They are putting together final drafts of reports summarizing their work. I must say that if you group together all the expert conclusions on safety issues, you will see nothing tragic or dramatic there, the deputy prime minister emphasized. This is objective information about the condition and operation of the station and its reactors'

design. Nevertheless, there were attempts to pressure Ukraine into shutting down the Chernobyl plant. Under the circumstances, we considered it necessary in Vienna to communicate our position to the international community, the IAEA, and other international organizations.

The point is that no one can be more concerned with the safety of our reactors than we are, the deputy prime minister said. Second, experts from the plant and scientific research institutes conducted a wide range of measures intended to modernize the reactors. Their conclusion is as follows: The staff is in full control of its station. Third, the process of modernization will go on undisrupted in the future, Valeriy Shmarov stated.

The most important thing is that at the IAEA meeting, we tried to explain the complexity of the power engineering situation in Ukraine. At present, closing the station would call for substantial compensatory measures. This work will last for several years. The increase of the efficiency performance coefficient at thermoelectric power stations can also be achieved as part of a long-term program. Experts estimate that at least $2 billion will be needed to activate all nuclear reactors currently under construction in Ukraine. An additional $1 billion will be necessary for designing and building the "Shelter-2." If we are to decommission the Chernobyl plant, another $1 billion will have to be allocated. Social plans for its staff and the determination of Slavutich's fate will also call for hefty expenditures. This is a big set of problems that cannot be resolved by merely closing the station.

Considering all of this, we have set priorities until the year 2000: to build "Sarcophagus-2," address safety issues at the Chernobyl facility, and activate new reactors at other atomic stations.

If the international community is worried about the RBMK-type reactors at the Chernobyl station, which are in ample supply in other countries, funds should be allocated for this specific program. After all, there are international systems providing credits, not to mention European and international banks of support. With this kind of assistance, the Chernobyl station's shutdown, as well as the activation of new nuclear units at the Zaporozhye, Khmelnitskiy, and Rovno stations, can both be accelerated.

The Ukrainian Government will do its best to stabilize the personnel situation at the Chernobyl and other atomic stations, Valeriy Shmarov concluded. I can say that we adopted a resolution reducing by half income taxes for nuclear engineering employees. A draft agreement on tariffs is being examined so that the earnings are more efficiently used to raise safety levels at atomic stations, as well as to reconstruct them and increase their capacity.

Ukraine Needs More Plants To Bury Nuclear Waste

LD0207162394 Moscow INTERFAX in English 1445 GMT 2 Jul 94

[Text] Director Anatoliy Drugovin of the Kharkov interregional plant for the burial of nuclear waste told INTERFAX-Ukraine that Ukraine needed more plant to bury nuclear waste.

According to Drugovin, four of Ukraine's six nuclear dumps had actually exhausted their potential. As a result, the Kharkov plant was facing the main challenge.

The plant served facilities of several provinces in eastern Ukraine. As of 1 January, 1226 cu m of hard and 305 cu m of liquid nuclear waste were buried there.

If it kept functioning as it did, the Kharkov plant would be used another ten years but Drugovin saw the need for the creation of a supra-budget fund on which Ukraine would draw to bury its nuclear waste.

Belarus

Chernomyrdin Arrives for WWII Celebrations

Begins Economic Talks

LD0207102994 Moscow ITAR-TASS World Service in Russian 1015 GMT 2 Jul 94

[By BELINFORM for ITAR-TASS]

[Text] Moscow, 2 Jul—Russian Prime Minister Viktor Chernomyrdin arrived in Minsk today at the head of a Russian Federation delegation to take part in celebrations of the 50th anniversary of the liberation of Belorussia [Belarus] from the German fascist occupation.

Talks began in the afternoon between the Belorussian and Russian delegations led by Vyacheslav Kebich and Viktor Chernomyrdin in Zaslavl, the country residence of the Belorussian government. Questions of further development of comprehensive economic links between Belorussia and Russia and, in particular, implementation of the agreement on joining the monetary systems are being discussed.

A joint communique is expected to be signed on the results of the talks.

Comments on Readiness To Sign Treaty

LD0207221494 Moscow Ostankino Television First Channel Network in Russian 2049 GMT 2 Jul 94

[Report over video by correspondent Lyudmila Vilyuga; from the "Novosti" newscast]

[Text] [Announcer Sergey Shatunov] Russian Prime Minister Viktor Chernomyrdin who is in Minsk, has announced the allocation of R [rubles] 20 billion of a R150 billion credit destined for Belorussia [Belarus] for 1994. Our correspondent reports on the details of the visit.

[Vilyuga] [Video shows ceremony and talks] Russia's government delegation, headed by Viktor Chernomyrdin, which arrived for the celebrations marking the 50th anniversary of Belarus' liberation from the German Fascist occupiers, began its visit with talks with Belarus Prime Minister Vyacheslaw Kebich and members of the Belarusian Government. The main attention was focused upon issues relating to intensifying economic links and implementing the treaty on unification of the monetary systems of Belarus and Russia; and in particular on seeking solutions to the existing disagreements over the article of the treaty relating to the status of the National Bank of Belarus.

[Begin Chernomyrdin recording] If one were to sum up what we have agreed on just now, as far as the political side of the treaty goes, in principle, we will now make a few amendments to this treaty. We are prepared to sign this treaty, and will do so, with certain amendments, perhaps, but in my view we intend to sign this treaty and agreement with this government, with the current government. [end recording]

[Vilyuga] The communique adopted on the results of the meeting also mentioned issues relating to Russia's state credit for the Republic of Belarus, which is closely bound up with the unification of the monetary systems; to the progress of implementation of trade and economic cooperation; and on trade deliveries on an equivalent basis. The sides touched upon the economic prospects for 1995, and also upon the necessity for closer cooperation in reducing to a minimum the consequences of the Chernobyl catastrophe.

[Shatunov] Russia, incidentally, plans to allocate an additional R42 billion to Belarus to overcome the aftermath of the Chernobyl accident.

Comments on Giving Further Credit

LD0207181294 Moscow Russian Television Network in Russian 1600 GMT 2 Jul 94

[Report over video by correspondent A. Goncharov; from the "Vesti" newscast]

[Text] [Goncharov] The Belorussian [Belarusian] leadership's request for a fresh Russian credit of 750 billion rubles should have come as no surprise to Viktor Chernomyrdin. Taking account of the difficult position of the fraternal republic, the Russian prime minister brought along a counter-proposal. Vyacheslav Kebich is unlikely to have heard from his Russian colleague the obscure reply that Viktor Chernomyrdin gave journalists after the talks: "There is no harm in asking [prosyashchego nikto ne udarit]," he replied when asked whether Russia give Belorussia [Belarus] such weighty financial support.

To judge from INTERFAX reports, Moscow wants Minsk to agree to a review of the treaty on unification of the money systems, which is already in force—that is, the subordination of Belorussia's Central Bank to Russia's Central Bank, and the suspension of money emissions in Belorussia. Since the Kebich government is not prepared to sacrifice its own printing press and with it the symbol of state independence, a commission of experts has been set up. This has been instructed to bring the positions of the two sides closer together. The second round of presidential elections takes place on 10 July in Belorussia, and it is wholly possible that there will be a new Belorussian leadership to deal with in efforts to bring the positions closer together.

Says Monetary Merger Problems Solved

LD0307162594 Moscow INTERFAX in English 1449 GMT 3 Jul 94

[Text] Russian and Belarussian governments have solved all problems in terms of the unification of the monetary systems. Now understandings are to be reached between the two central banks, Russian Prime Minister Viktor Chernomyrdin has told Interfax.

He said that the Belarussian National Bank will continue payments in rubles, but the amount will be under control of the Russian Central Bank.

Chernomyrdin said that Russia does not make concessions to Belarus.

For his part, Belarussian Prime Minister Vyacheslav Kebich said that July is the last month on the way to an economic union.

Following the Moscow talks, the two prime ministers signed three summing-up documents.

According to the inter-government agreement, Russia is to grant to Belarus an aid worth 22 billion rubles to help the republic overcome the aftermath of the Chernobyl disaster.

Signs Monetary Merger Progress Protocol

LD0307160594 Moscow ITAR-TASS World Service in Russian 1417 GMT 3 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Minsk, 3 Jul—Russia and Belorussia [Belarus] today signed a protocol on the progress in the implementation of the April agreements on uniting their monetary systems. Russian Prime Minister Viktor Chernomyrdin and Vyacheslav Kebich, the head of the Belorussian Government, put their signatures under the document. The document reflects, on the one hand, the progress in the unification process and, on the other, outlines very tough, in terms of time, objectives to work out ways and mechanisms of carrying out the monetary emission and exchange of monetary notes.

Russian Deputy Prime Minister Aleksandr Shokhin said in an ITAR- TASS interview that concrete mechanisms could be drawn up by August.

The treaty on merging the monetary systems of Russia and Belorussia, signed in April 1994, contained a provision that the Russian Central Bank should have the power to control and regulate the activities of the National Bank of Belorussia.

The protocol says that, if a need arises to introduce certain adjustments into the documents signed earlier, this can be done. However, in doing this Russia will be guided not by political, but by purely professional, banking, and finance considerations, Aleksandr Shokhin said.

According to the deputy prime minister, this means that if the National Bank of Belorussia acquires a different status from that recorded in earlier agreements, a number of points in those agreements will have to be adjusted accordingly. The two sides agreed to outline in full detail by August 1994 how emission is to be regulated. For instance, if the Russian Central Bank carried out the emission through the National Bank of Belorussia by using the corresponding control mechanisms, this could be practiced instead of the Russian Central Bank taking over all the controlling functions, and it would not contradict the existing Constitution of the Republic of Belarus.

Holds Talks With Kebich

WS0407091894 Minsk BELAPAN in Belarusian 1800 GMT 2 Jul 94

[Text] On 2 July at the Zaslawl governmental residence, Belarusian and Russian Prime Ministers Vyacheslaw Kebich and Viktor Chernomyrdin held talks. As Uladzimir Zamyatalin, press secretary of the Belarusian prime minister, told a BELAPAN correspondent, the main result of the talks was that Russia has agreed to sign the agreement on unification of the Belarusian and Russian monetary systems without Article No. 5. According to this article, the Central Bank of Russia was to become the only center permitted to issue money in both states, meaning that the National Bank of Belarus would be liquidated, which contradicts the Belarusian Constitution.

According to Viktor Chernomyrdin, the agreement on unification of the Belarusian and Russian monetary systems will be signed in the near future. Moreover, it was decided during the talks that Russia will give Belarus 150 billion Russian rubles. Also resolved was the issue of Russian deliveries of energy sources. According to Uladzimir Zamyatalin, Russia intends to lower prices for oil and gas even further. This step will lower prices for Belarusian goods, which will be bought by Russia in higher volume than before.

Discuss Economic Integration

LD0207152694 Moscow ITAR-TASS in English 1459 GMT 2 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Minsk July 2 TASS—Russian Prime Minister Viktor Chernomyrdin met his Belarussian [Belarusian] counterpart Vyacheslav Kebich for negotiations today to discuss the implementation of the bilateral treaty on monetary merging.

Russia is ready to change some treaty articles and sign an agreement on amendments, the Russian premier told correspondents upon the meeting completion. In his words, the new agreement will be concluded with Vyacheslav Kebich to "stop political games around the close economic integration of Russia and Belarus".

The treaty of April 1994 provides for the transfer of all powers of the Belarussian Central Bank to the Central Bank of the Russian Federation which runs counter to the current Belarussian constitution. It seems that the Belarussian Central Bank will have to pass over its regulating functions to the Russian Bank, chairman of the Russian Central Bank and member of the Russian delegation Viktor Gerashchenko said here today.

Asked about the issuance of a Russian state credit to Belarus, Kebich said that Russia is to issue 150 billion rubles to Belarus in the first half of 1994 under the agreement of May 24. Only 20 billions have been issued, he added.

Belarus hopes to receive an additional credit in the second half of 1994 but this will depend on who controls the

money emission in the single system of the two states. Russia is now ready to allocate 42 billion rubles to eliminate the consequences of the Chernobyl accident on Belarussian territory.

The negotiations did not discuss the second stage of Belarussian presidential elections, Kebich told correspondents. He stressed it is an internal affair of the state. At the same time, the Russian prime minister did not exclude a meeting with leader of the Belarussian presidential race and parliament deputy Alyaksandr Lukashenka.

Meets Presidential Candidate Lukashenka

LD0307151494 Moscow ITAR-TASS World Service in Russian 1350 GMT 3 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Minsk, 3 Jul—Russian Prime Minister Viktor Chernomyrdin today met Alyaksandr Lukashenka, who is leading in the presidential elections in Belorussia [Belarus] the first round of which ended on 23 June. The Russian prime minister has arrived in Minsk to attend the celebrations on the occasion of the 50th anniversary of the liberation of Belorussia from the Nazis.

During a brief conversation on Victory Square where the inhabitants of Minsk and guests had gathered, Chernomyrdin and Lukashenka confirmed mutual interest in close economic cooperation between the two independent states. They also expressed a wish to have a more detailed conversation on some confidential matters later today.

Discusses Closer Russian Ties

LD0407164494 Moscow INTERFAX in English 1526 GMT 4 Jul 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Presidential candidate Alyaksandr Lukashenka who won the first round of elections for Belarusian presidency during an informal meeting with Chernomyrdin in Minsk on Sunday said he was in favor of a closer union between Belarus and Russia.

Lukashenka said his foreign policy priorities would be given to the promotion of relations with Russia if he was elected president after the run-off on July 10.

He said there should be no talk about a federation or confederation at the moment, but attempts must be made to try to resolve crying issues of the economy instead.

For his part, Chernomyrdin said the election of a president was Belarus' internal affair and that Russia would respect the choice of its people.

The two men met for about five minutes during a wreath-laying ceremony at the Eternal Flame in a central square of Minsk.

Lukashenka said he wanted a more substantial meeting with the Russian Prime Minister, something Chernomyrdin had agreed with.

Lukashenka told Interfax afterwards that the Russian Premier had invited him to visit Moscow soon to discuss what he described as "some confidential matters".

Meets With Lithuanian President

LD0307131394 Moscow ITAR-TASS World Service in Russian 1125 GMT 3 Jul 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius, 3 Jul—A meeting between Lithuanian President Algirdas Brazauskas and Russian Prime Minister Viktor Chernomyrdin was held on Saturday evening in Minsk, where the celebrations on the occasion of the 50th anniversary of the liberation of Belorussia [Belarus] from Hitler' occupation are taking place, the Lithuanian ELTA telegraphic agency reported today.

During the meeting, which lasted about an hour, Lithuanian- Russian relations were discussed and both sides gave them a "positive assessment". Brazauskas and Chernomyrdin considered the implementation into life, as soon as possible, of the agreement granting each other the status of the most favored nation in trade, which was signed between Lithuania and Russia back in November 1993, and transit of people and goods from Kaliningrad Oblast through Lithuania to Russia and back.

Great attention was attached during the meeting to the facilitation of the visa regime for the citizens of Lithuania and Russia, in particular for entrepreneurs.

ELTA, quoting sources in both delegations, says that in principle, a mutually acceptable agreement and mutual understanding was reached on all the issues that were discussed. As soon as next week, during their official talks, the delegations of Russia and Lithuania will discuss the matters that have not yet been resolved and which essentially are purely technical.

Ukrainian Prime Minister Arrives in Minsk

LD0207164194 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 2 Jul 94

[Text] Belarus is festively marking the 50th anniversary of its liberation from Nazi invaders. Guests from the majority of the former USSR republics arrived to take part in the celebration. Among these is Ukraine's governmental delegation led by Prime Minister Vitaliy Masol. At the festivities in Minsk he said, in particular, that the peoples of the two neighboring states had from time immemorial been defending their freedom and building a peaceful life together. Today they are able to overcome the economic difficulties quickly through a concerted effort and create proper conditions for people's life.

Kebich Outlines Socioeconomic Development Program

LD0207203394 Moscow Radio Rossii Network in Russian 1900 GMT 2 Jul 94

[Text] Head of the Belarus Government, Vyacheslav Kebich, who was addressing a ceremonial meeting devoted to the 50th anniversary of the country's liberation from Geramn troops, announced his cabinet's program for the next few years.

He said strong social policy on the part of the state is to become the main national doctrine. In the next two years the premier promises to ensure stabilization of the economy and a way out of the crisis. In the following two years he promises intensive structural changes in the economy and a significant increase in people's prosperity.

The RIA agency notes that the program envisages the creation of conditions for normal work for all the republic's citizens capable of working, and legislative regulation of very high incomes in order to eliminate property-related stratification of society.

In addition, Vyacheslav Kebich promised to increase volumes of housing construction and to provide housing for all Belarus citizens on low income.

Opposition Leader Denounces 3 Jul 'Skirmish'

WS0507103194 Minsk BELAPAN in Belarusian 0700 GMT 5 Jul 94

[Text] "We witnessed a crime yesterday"—those were the words of Belarusian Popular Front [BNF] Chairman Zyanon Paznyak commenting at a news conference yesterday on the events of 3 July. As is known, during celebrations on 3 July [marking the 50th anniversary of Belarusian liberation from German occupation], militia and AMAN [special designation militia units] tried to prevent a group of BNF and Democratic Association of Veterans supporters from entering Victory Square, thus causing a skirmish between demonstrators and representatives of law enforcement bodies. "I should like to emphasize, however, that the militiamen are not to blame. They were only following orders from a 'staff' which is located at the Council of Ministers," Paznyak noted. According to the opposition leader, he addressed the General Prosecutor's Office with a statement requesting the names of those who gave the orders to block the BNF supporters.

People's Writer Vasil Bykaw noted that "Belarus has entered a new stage of its existence. If earlier events were painted in red, the current ones are primarily colored in brown." "The power of the junta," Vasil Bykaw said, "is under threat; the junta knows only one way to rescue itself—integration with the former empire." In Bykaw's opinion, the events of 3 July were "a demonstration of force before the Moscow landlords."

Participants in the news conference also noted the following circumstance: There were no state flags or coat of arms displayed during celebrations at the Palace of Sport, on in the streets for that matter.

Speaking about the possible outcome of the second round of presidential elections, Zyanon Paznyak stated that there are no essential differences between the two candidates: "They both work for the Moscow Mafia." According to the BNF leader, following the first round, Kebich tried to get in touch with the BNF through certain third parties. These attempts, however, have been cut off by Paznyak. "The BNF is a popular opposition, and we are not going to undertake any talks with the Mafia," stressed the BNF chairman.

National Security Chief Survives Assassination Attempt

LD0107140794 Moscow INTERFAX in English 1348 GMT 1 Jul 94

[Text] There was an attempt made upon the life of Gennadiy Danilov, secretary of state of Belarussia [Belarus] in charge of national security, fortunately, he was not injured, competent sources reported to INTERFAX.

The same source reported that Danilov came into the entrance of his house on Pulikhov street at 00:30 coming home from a business trip. He discovered the elevator out of order; later on it appeared that somebody had switched it off. Danilov started to climb the stairs. A grenade, apparently of the type RGD-5, was thrown from the street while he was ascending. The blast struck Danilov against the door of a flat, however, he did not receive any bodily injuries.

Danilov is the author of a program to combat crime which has been recently adopted by the Belarussian government.

'Slightly Injured' in Bomb Attack

WS0407091794 Minsk BELAPAN in Belarusian 1800 GMT 2 Jul 94

[Text] On the evening of 1 July in Minsk, a bomb exploded in the stairwell of the apartment building at 31 Pulikhava Street, where Henadz Danilaw, state secretary for issues of national security, lives. This happened while Danilaw was going up the stairs. The explosion smashed the front door and shattered several windows in the stairwell. Henadz Danilaw was slightly injured. The city attorney's office is currently investigating this incident.

Asked whether the explosion can be considered a terrorist act, Minsk Attorney General Valeryy Ivanow said the following: "At the moment, I cannot confirm this. Certain investigations must first be conducted."

Kazakhstan

Nazarbayev, Soskovets on Baykonur Problems

I D0107114994 Moscow ITAR-TASS in English 1118 GMT 1 Jul 94

[Report by ITAR-TASS correspondents Veronika Romanenkova and Oleg Velichko]

[Text] Baykonur 1 July TASS—President of Kazakhstan Nursultan Nazarbayev and Russian First Deputy Prime Minister Oleg Soskovets made it understood before their meeting in Baykonur on Friday that the problems of the former Soviet space launching site can be resolved by the two countries.

"The joint Baykonur cosmodrome will serve the Russian and Kazakh people," Nazarbayev said on Friday greeting two cosmonauts who are to blast off from Baykonur in two hours.

"Historically, both our people should be together," Soskovets responded in his greetings to the joint Russian-Kazakh crew consisting of Yuriy Malinchenko and Talgat Musabayev.

Baykonur became an apple of discord between Kazakhstan and Russia after the collapse of the Soviet Union. The launching site situated in Kazakhstan is the only place which Russia can use for manned flights, however Moscow had no intentions to invest in what was Kazakh property. The recent Russian-Kazakh agreements fixed that Russia leases and runs the cosmodrome, however, a dispute over the amount of Russian payments emerged and the documents are yet to be ratified.

Commander of the Russian aerospace forces Vladimir Ivanov believes Baykonur should get the status of a "closed administrative territorial entity of Russia" on the territory of Kazakhstan.

So far the cosmodrome has received only 25 per cent of the approved 191-billion rouble appropriations. Kazakhstan has not earmarked a single rouble yet, according to Boris Kalinichev, Russian aerospace forces deputy commander.

The director of the cosmodrome, Aleksey Shumilin, said "spacecraft are launched at the verge of human, material and financial capabilities."

Some Russian mass media hurried to predict that the Friday launch will be the last one because of financial problems and the dispute of the cosmodrome. They said the booster which is to orbit the spacecraft today was assembled from two faulty carriers. However, the press service of the aerospace forces denied the allegations saying that the booster was only slightly modified and new carriers are produced at the "Progress" enterprise in Samara.

Presidents Sign Agreement

LD0207052994 Moscow ITAR-TASS in English 0512 GMT 2 Jul 94

[Report by ITAR-TASS correspondents Oleg Velichko and Veronika Romanenkova]

[Text] Leninsk, Baykonur Cosmodrome, 2 July TASS—Russia's and Kazakhstan's further actions will be undertaken only in accordance with the agreement "on the basic principles and conditions for the use of Baykonur Cosmodrome," signed by the presidents of the two states, Russia's First Vice-Premier Oleg Soskovets told journalists at the cosmodrome after his talks with President Nursultan Nazarbayev.

The parliaments of Russia and Kazakhstan could ratify the agreement as early as in July, after which other specific accords could be elaborated on the strength of it, Soskovets pointed out.

"All problems' solutions, which meet the strategic interests of our two states are inherent in the agreement on Baykonur," Nazarbayev emphasised.

"Friday's launch of a Russian-Kazakh space crew is already a practical step in implementation of the agreement. To Russia and Kazakhstan, Baykonur should become a jointly-run facility, which brings people together, and not an apple of discord," the Kazakh president said.

Nazarbayev Comments on Agreement

LD0407101194 Almaty Kazakh Radio Network in Russian 0800 GMT 4 Jul 94

[Text] Further steps between Russia and Kazakhstan will be taken only in accordance with the agreement on the main principles and conditions of using the Baykonur cosmodrome, signed by the heads of the two states. This was said by Russia's First Vice Premier Oleg Soskovets at news conference at the cosmodrome following talks on 1 July with Nursultan Nazarbayev. He noted that the parliaments of Russia and Kazakhstan could ratify this document this month. After that, on the basis of the agreement, other specific agreements will be elaborated.

Nursultan Nazarbayev stressed that the agreement on Baykonur should contain a solution to all problems concerning strategic interests for our states. The launch of the Russian-Kazakh space crew already is a practical step in the implementation of the agreement. Baykonur must not become a bone of contention between Russia and Kazakhstan, but a jointly used object which unites people.

Nazarbayev Submits Plans for Eurasian Union to UN

LD0207092494 Moscow ITAR-TASS World Service in Russian 2056 GMT 1 Jul 94

[Report by ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations, 2 Jul—The established structure of the CIS has become an obstacle in the way of the economic development of the member states. This makes it necessary to seek alternative forms of interstate association of the former Soviet republics, which would ensure a higher level of their integration. This was stated in the draft paper by Kazakhstan's President Nursultan Nazarbayev: On setting up a Eurasian Union, which was circulated here on Friday 1 July as a General Assembly document.

The document says that it has become clear from experience that single-handed attempts by the former Soviet republics to modernize their economies have failed. Moreover, it has become obvious that attempts to orient themselves toward regional economic alliances outside the former USSR area are unrealistic. It follows from the present circumstances that although mechanisms of the CIS should be further improved, they should not be regarded as the only form of union. Life has shown that further development of the CIS states is being hampered by insufficient inner potential of each of them. This potential can develop only if the countries of the post-Soviet region enter an economic integration on a new, market foundation, Nazarbayev said.

Taking into account the differences between different countries in terms of development of their market economy and the extent of democratization of political processes, we propose that an additional integrative structure—Eurasian Union—be set up. Its purpose is to coordinate the economic policy and to adopt joint programs for implementing economic reforms, which would be mandatory for the member states, the document says.

Foton Satellite Module Lands in Kazakhstan

LD0207084094 Moscow ITAR-TASS World Service in Russian 0804 GMT 2 Jul 94

[Report by ITAR-TASS stringer Semen Ivanov]

[Text] Moscow, 2 Jul—The landing module of the Foton technological satellite, launched by the Military Space Forces from the Plesetsk cosmodrome on 14 June, landed today at 0933 Moscow time [0533 GMT] 200 km southeast of the town of Kustanay [in Kazakhstan].

Scientific experiments, most of them international, were conducted during the flight in accordance with joint programs with Germany, France, and the European Space Agency (ESA). The landing module will be taken by specialists from the Federal Aerospace Search and Rescue Service to Samara, where the flight results will be analyzed at a central specialized design bureau. This particular Foton space vehicle (SV) was the ninth in the Foton series to be launched from the Plesetsk cosmodrome since 1985. A further vehicle in the series is scheduled to be launched this year.

Military Tribunal Sentences Over 1,000 AWOL Soldiers

LD0407093194 Moscow ITAR-TASS in English 0856 GMT 4 Jul 94

[Report by ITAR-TASS correspondent Vladimir Akimov]

[Text] Alma Ata [Almaty] 4 July TASS—The problem of deserters from Kazakhstan's armed forces has grown more acute. More than 1000 absent-without-leave (AWOL) soldiers have been sentenced by military tribunals in the last one and a half years. About the same number of orders for the arrest of other Army deserters have already been issued.

The military regiments themselves are responsible for searching for their absent comrades. They have detained more than 2,500 deserters. Another 500 or so youths are currently on the run. Some of them have been absorbed into the criminal world and are engaged in racketeering or just plain banditry, which is inflaming the already-difficult criminal situation in Kazakh cities, towns, and villages.

The Republic's military procurator, according to the newspaper "PANORAMA," held a press conference for the Alma Ata mass media, at which he appealed for the creation of a separate bureau within his department to track down deserters. The procurator, Lieutenant-General Yuriy Khitrin, reported that hazing in the republic's armed forces is the most common reason that young soldiers go AWOL.

Military Prosecutor Comments on Law-breaking, Bullying

LD0407121194 Almaty KAZTAG in Russian 1025 GMT 4 Jul 94

[Excerpts] [No dateline as received]—Lieutenant General Yuriy Khitrin, the republic's military prosecutor general, has given a news conference to familiarized journalists with the general state of affairs of the bodies of military justice in Kazakhstan, and to give the reasons for an increasing number of law transgressions in the army both among its officers and rank-and-file servicemen.

Currently the most typical breaches are embezzlement and squandering of military property, office offences, and bullying and hooliganism in barracks.

Lawyers think that a principally new phenomenon is taking place—that of merging civil and military crime, primarily in selling weapons and ammunition. Last year, 45 officers were convicted for selling weapons, while in five months of this year their number increased by 25 percent. [passage omitted]

With regard to the squandering and stealing of weapons, the military prosecutor's office intends to draft a special program for their protection and to suggest a number of changes to existing laws.

Lawyers are also concerned with crimes among soldiers. Bullying is on the increase. Facts have been observed when officers themselves encourage their subordinates to bullying in order "to ensure strict army discipline,"—this is viewed as being easier than to educate. [passage omitted]

Having stressed that the laws which envisage a stricter responsibility for army crimes has already been passed, Yuriy Khitrin said that control over their implementation would become more stringent.

Economic Ministry Body Examines 1995 Development Plans

LD0407145394 Almaty KAZTAG in Russian 1025 GMT 4 Jul 94

[Text] [No dateline as received] A session of the collegium of the Ministry of Economy has examined programs for the

future development of the country. In particular, the directorate for indicative planning presented a program on the guidelines for the government's economic policy in 1995, which is to become a basis for next year's draft national economic development plan.

Economic circles who received their share of criticisms in President Nazarbayev's address to the Supreme Kenges session put forward to the collegium's session two programs instead of one—a program on a macroeconomic forecast of socioeconomic development of the republic of Kazakhstan in 1995 and for the period until the year 2000, and a draft concept of the foreign economic policy of the republic of Kazakhstan. The presenter—Arystan Yesentugelov, director of the research institute of economics and market relations under the Ministry of Economics—presented two versions of the macroeconomic forecast of the republic's future.

The outcome of the discussion which followed was summed up by minister Mars Urkumbayev. The documents will be elaborated and then submitted for consideration to the government and the Supreme Kenges. The indicative plans on the basis of these programs—a short-term plan for one year and a medium-term plan for five years—are intended to be published in the fall of this year.

Education Agreement Concluded With Uzbekistan

LD0407093894 Almaty Kazakh Radio Network in Kazakh 0800 GMT 4 Jul 94

[Summary from poor reception] Ethnic Uzbeks, residents of South Kazakhstan, who would like to be educated in their mother tongue, will have this chance. Zautbek Turuspekov, head of the South Kazakhstan oblast administration, has concluded an agreement with his Tashkent counterpart, according to which Tashkent allocates 67 places in its educational establishments for Uzbeks from South Kazakhstan, and Shymkent allocates 72 places at their schools and universities for ethnic Kazakhs, residents of Uzbekistan.

Kyrgyzstan

Asian Development Bank Grants $40-60 Million Credit

LD0407133694 Moscow ITAR-TASS in English 1249 GMT 4 Jul 94

[Report by ITAR-TASS correspondent Boris Mainayev]

[Text] Bishkek 4 July TASS—President of Kirgizia [Kyrgyzstan] Askar Akayev met on Monday with a delegation from the Asian Bank of Development, headed by its chief economist, David Green. They discussed the extenstion of financial and technical aid to Kirgizia for the reforms in 1994 and 1995.

As a result of preliminary consultations, the Asian Bank of Development has agreed to give Kirgizia credits worth $40 to $60 million U.S. dollars.

Demonstrators in Bishkek Demand Housing Assistance

LD0507141494 Moscow ITAR-TASS World Service in Russian 0717 GMT 5 Jul 94

[Report by ITAR-TASS Correspondent Boris Maynayev]

[Text] Bishkek, 5 Jul (ITAR-TASS)—More than a hundred people from Arga-Bishkek area staged a rally today in front of the government palace, demanding financial assistance to build their own houses.

Problems for people building their own houses started in 1990, when a group of Kyrgyz men expropriated some land in the suburbs of the capital to build their houses there. Now the population in that area numbers more than 47,000, but only 40 percent of them have been able to build proper houses. The rest live in mud huts and other temporary dwellings without running water or electricity. Three months ago the government decided to give them credit totaling 4 million soms, but the money has not yet been delivered.

Tajikistan

Border Guards Block Incursion From Afghanistan

LD0107131094 Moscow INTERFAX in English 1215 GMT 1 Jul 94

[Text] Border guards thwarted an attempt to break through the Tajik-Afghan frontier Thursday [30 June] night.

As a spokesman for the Russian border forces reported to INTERFAX, 15 militants tried to cross into Tajikistan from Afghanistan at a section of Post Eight of the Pyanj Border Unit. Russian border guards opened fire and forced the infiltrators to flee. According to the spokesman, the border guards suffered no casualties.

Cease-Fire Agreement With Opposition 'Feasible'

LD0107132594 Moscow INTERFAX in English 1215 GMT 1 Jul 94

[Text] A Dushanbe official has voiced hope that the Tajik opposition and Tajikistan's leadership will sign a cease-fire agreement at a third round of negotiations, scheduled for late July-early August in Islamabad.

The Employment Minister Shukurdjon Zukhurov, leading the Tajik Government's delegation at the talks, stressed in an interview with INTERFAX that "the overwhelming majority of cabinet members and president Emomali Rakhmonov" regard the terms set by the opposition as feasible.

The opposition believes it is possible to cease-fire and simultaneously declare general amnesty, lift the ban on political parties and movements, and make the media free again.

Zukkurov believes that the oppositions' terms should be implemented stage by stage and the mechanism for their

implementation should be devised in advance. He is sure that the opposition and government will find an acceptable solution to this problem.

"Only a positive solution to this issue can guarantee peace in Tajikistan," Zukhurov remarked.

Leader of Delegation to Peace Talks on Progress

LD0107163094 Moscow INTERFAX in English 1404 GMT 1 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] Tajikistan's head Emomali Rakhmonov and overwhelming majority of the republican government believe that it is possible to fulfil the conditions on cease-fire put forward by the opposition during the second round of the Inter-Tajik negotiations in Tehran. Head of the governmental delegation at the Inter-Tajik negotiations Shukhurdzhon Zukhurov, the republic's Labor and Employment Minister, reported about this in his exclusive interview with Interfax and stressed that he learned about their opinion while he was reporting about the results of these negotiations.

In general Zukhurov positively assessed this round of negotiations, however, he noted that it was going on "with difficulties." In his words, the issue on cease-fire and any hostilities against Tajikistan on the part of the opposition both on the Tajik-Afghan border and inside the state was "the core" of this meeting. At the same time Zukhurov underlined that the opposition deems it possible to cease fire simultaneously with the announcement of total amnesty, release of the so called political prisoners, annulment of the ban on the activity of political parties and movements, and assurance freedom of press. Zukhurov views these conditions as "difficult but quite acceptable." He is convinced that it is impossible to immediately fulfill them. "One cannot start fulfilling these conditions if we do not prepare and do not explain their aims and tasks to the people," Zukhurov underlined. "In an adverse case it will be impossible to guarantee private security of people who had some relations with the opposition. It is necessary to fulfill the opposition's conditions step-by-step having in detail developed a mechanism to implement them into life."

In his words, the agreement with the opposition was not signed because the government needs time to assess its possibilities and to determine concrete terms to fulfill the conditions set forth by the opposition. He expressed his hope saying that such a document would be signed at the third round of negotiations scheduled for early August in Islamabad.

Zukhurov underlined that Tajikistan's people lay great hopes for the results of the negotiations "however, the people will hardly be able to wait for a long time again." "But there is no other way and we cannot let another spiral of civil war," Zukhurov said.

He is convinced that the opposition and the government will find an acceptable variant to solve this problem because "we have no other way but a peaceful political way."

However, Zukhurov does not rule out that "some people will prevent solution of the Tajik problem." To this effect he declared about his readiness to listen to counterarguments and to jointly work out compromise decisions. He underlined that this should be done before the elections of a new parliament and head of the state, otherwise "we shall be forced to begin everything from the very beginning and we have no time for this."

During his conversation with our Interfax correspondent head of the Tajikistan-based mission of the UN supervisors Liviu Bota expressed his hope saying that in the course of the next round participants of the Inter-Tajik negotiations "will come to a mutually acceptable variant and will sign a cease- fire agreement."

In his words, participants of the Tehran round reached mutual understanding on all issues under discussion, however, they did not sign the agreement "due to the absence of confidence in each other."

At a briefing in Moscow Grigoriy Karasin, spokesman of the Russian Foreign Ministry, announced about the readiness of the Russian party to participate in joint efforts in order to achieve political settlement of the Tajik conflict.

Having expressed his regret due to the fact that the parties failed to reach any mutually acceptable decision on cease-fire, Karasin underlined that Russia views results of the second round "as one more step forward in the negotiations process." Karasin expressed his hope that Tajikistan's opposition and government "will be able to find mutually acceptable solutions in the interests of national reconciliation."

IBRD Recommends Hydropower Station Building Suspension

LD0407115294 Moscow INTERFAX in English 1039 GMT 4 Jul 94

[Text] The International Bank for Reconstruction and Development [IBRD] recommends that Tajikistan suspend the construction of the hydro-power station Rogun until concrete measures have been drawn up to reduce the project costs and environmental studies have been completed.

As a Tajik Government spokesman has told INTERFAX, a memorandum, sent by a bank's mission to the state's cabinet suggests that the electricity needs of Pakistan, Afghanistan, and other regional countries be verified and chances of slashing the construction bill by reducing the station's projected electricity output be explored. In addition, bank experts claim it would be reasonable to analyze the impact of the Rogun station, planned as the Republic's major electricity supplier, on the country's water resources and likewise on irrigation. They also believe it would be advisable to attract foreign investment to the project.

The station, six turbines of which are to work at a projected capacity of 3.60 million KW with an annual output of 13.3 billion KW, is situated on the mountain river Vakhsh. Its construction began in the mid-eighties, and at this time, according to the Economics and Prognostication Minister Khamid Usmanov, it is 40-50 percent complete. To complete the project will take about $2 billion, which surpasses Tajikistan's budget revenues a few times over.

Minister: Russian Assistance Stabilizes Situation

LD0507102594 Moscow ITAR-TASS in English 0815 GMT 5 Jul 94

[Report by ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow 5 July TASS—"Through the efforts of Russia, the situation in Tajikistan stabilises," Major-General Farruh Niyazov, representative of the Tajik Ministry of Defence, told ITAR-TASS here on Tuesday.

General Niyazov said the "stabilisation is promoted by the Russian Government's large-scale actions to initiate negotiations between the conflicting sides in Tajikistan as well as by the peacekeeping force, of which units of Russian armed forces constitute the backbone." These efforts of the Russian Federation "meet the national interests of sovereign Tajikistan," he added.

Asked about the situation in the mountainous areas of the Republic, General Niyazov pointed out that a summer offensive by the intransigent opposition was foiled everywhere, including the Pamir sector, through the efforts of Russia, Uzbekistan, Kazakhstan, and Kyrgyzstan.

The inhabitants in the area "historically gravitate towards Russia" and prepare to mark in 1995 the centenary of Gorno-Badakhshan's joining Russia, Niyazov said.

The stabilisation of the situation in Tajikistan, in the general's view, is being hindered by the ultra-reactionary forces of fundamentalist, extremist trend. "It is precisely those forces that engage in terrorist activities and try to sow hostility between the peoples of Russia and Tajikistan but find no support among broad sections of the republic's population," General Niyazov stated.

Uzbekistan

Israeli Foreign Minister Arrives for Official Visit

LD0307142694 Moscow ITAR-TASS in English 1405 GMT 3 Jul 94

[By ITAR-TASS]

[Text] Tashkent July 3 TASS—Israeli Foreign Minister Shim'on Peres started his country's first high-level trip to post-Soviet Central Asia. On Sunday, he arrived in Uzbekistan's capital Baku [as received] for an official visit. On Monday, Peres is scheduled to meet Uzbek President Islam Karimov. After that, he will leave for another former Soviet republic, Turkmenistan.

Setting the tone for his three-day trip to the two Islamic Central Asian states, the Israeli minister told reporters at the Tashkent airport that Uzbekistan shared with Israel a common fight against Islamic fundamentalism.

"Like Uzbekistan, Israel is fighting fundamentalism, poverty and war," Peres said. "and I am sure we shall win the war," he added.

"Fundamentalism in my judgement is a danger to (Uzbek) lives even more than to Israel," the minister noted. "It is a movement of regression, of extremism, of backwardness, and it may hold up the progress of Arab life."

Peres Notes Joint Interests

TA0307125294 Jerusalem Qol Yisra'el in Hebrew 1200 GMT 3 Jul 94

[Text] Foreign Minister Shim'on Peres today kicked off a three-day visit to Uzbekistan and Turkmenistan in central Asia.

Upon arrival in Tashkent, Peres thanked his Uzbek counterpart for his country's attitude toward its large Jewish community. Peres told waiting correspondents that Uzbekistan and Israel shared a joint battle against radical Islam. Peres noted that Israel also had to cope with poverty and war.

Tomorrow, Peres will meet with President Karimov, other political leaders, and with the Jewish community.

Peres Visits Tashkent, Samarkand

LD0407114594 Tashkent Radio Tashkent Network in Uzbek 1100 GMT 4 Jul 94

[Text] Israeli Foreign Minister Shim'on Peres yesterday arrived in Tashkent on an official visit. The establishment of cooperation between Uzbekistan and Israel has been advantageous for both sides, the Israeli foreign minister said in answer to journalists' questions. We want to establish strong ties in the political, economic, cultural, and diplomatic fields. We are hoping to set-up joint enterprises.

Uzbek Foreign Minister Saidkasymov and other official figures received Shim'on Peres at the airport.

The Israeli foreign minister left for Samarkand today. He visited historical and interesting sites in the city. Shim'on Peres returned to Tashkent in the afternoon and met with representatives of the Jewish community in Uzbekistan in the press center of the Uzbek Tourism national company.

Agreements Signed With Foreign Ministry

LD0407143594 Tashkent Radio Tashkent Network in Uzbek 1330 GMT 4 Jul 94

[Text] Israel Foreign Minister Shim'on Peres, who is now on an official visit to our country, was received at the Uzbek Foreign Ministry today. Uzbek Foreign Minister Saidmukhtar Saidkasymov spoke to the guest on our country's transfer to market relations and the practical measures taken the establish a legal and democratic state,

and the natural resources and economic potential of our country. Uzbekistan positively evaluates Israel's efforts to bring peace to the Middle East.

Shim'on Peres expressed gratitude for the assistance given by the Uzbek people to the Jewish people during the difficult times of World War II and the creation of conditions for the development of Jewish national customs. This will strengthen the friendship and cooperation established between our peoples.

After this, Saidmukhtar Saidkasymov and Shim'on Peres signed agreements on behalf of the Government of the Republic of Uzbekistan and the Government of the State of Israel on developing and supporting business, establishing aviation links, on cooperation in tourism, and a protocol on consultations between the two countries' foreign ministries.

Roundup on Israeli Foreign Minister's Visit

LD0407204094 Moscow ITAR-TASS in English 2004 GMT 4 Jul 94

[By ITAR-TASS correspondent Vilor Niyazmatov]

[Text] Tashkent July 4 TASS—Israeli Foreign Minister Shim'on Peres paid a brief visit to Uzbekistan. The schedule of the foreign minister's visit was extremely tough. He met with the Uzbek President Islam Karimov who informed the guest about political, social and economic transformations carried out by the Uzbek Government. Karimov pointed out that the Israeli foreign minister's visit to Uzbekistan would promote cooperation between the two countries in different fields, in particular, in the sphere of scientific and technical cooperation.

Speaking on the solution of the Israeli-Arab problem, the Uzbek leader pointed out that this problem can be resolved by means of peace talks and active political consultations only.

On the same day the Israeli foreign minister was received by the Uzbek Government. The Uzbek Prime Minister Sultanov and the Israeli foreign minister had a substantial discussion of ways of stepping up mutually advantageous cooperation between the two countries in the sphere of trade.

Peres pointed out that Israel is prepared to render assistance to Uzbekistan in the sphere of agriculture and health care and the introduction of advanced technologies in industry.

The Israeli foreign minister also had talks met with his Uzbek counterpart, S. Saidkasymov [sentence as received]. The two foreign ministers signed a package of documents on cooperation in the sphere of air transportation, tourism, protection of investments and a protocol-agreement on cooperation.

Peres To 'Reconcile' U.S., Uzbekistan

PM0507110094 Moscow IZVESTIYA in Russian 5 Jul 94 p 3

[Report by Shakhabutdin Zaynutdinov: "Uzbeks Want To Make Their Peace With America Through Israel"]

[Text] Tashkent—Israeli Foreign Minister Shim'on Peres has arrived in Tashkent on an official visit.

This is the first official contact at state level since the establishment of diplomatic relations between the two countries three years ago.

It has become known from unofficial sources that Peres is to tackle several sensitive and delicate matters. First, he is to sound out the reaction of the leaders of the Central Asian republics to the granting of autonomy to the Palestinians (incidentally, ambassadors from both Israel and Palestine are accredited to Tashkent), and second, to discuss provisional dates for visits by the Israeli head of state and head of government to Uzbekistan (and a return visit to Israel) and prepare and sign joint documents. Third, and presumably most important, the Israeli side could play the part of intermediary in establishing links at state level between the United States and Uzbekistan. This includes the question of a future official visit across the ocean by President Islam Karimov, who is the only one of the region's heads of state whom America has not yet officially received as leader of an independent state.

Some clarification is needed here. After the well-known unpleasant incident at Tashkent airport involving a staffer of the U.S. Embassy in Tashkent (a citizen of Uzbekistan, incidentally, whom the authorities dealt with roughly), the State Department sent a terse note and sent home a parliamentary delegation from Uzbekistan which had barely set foot on the American continent, and also canceled all planned visits at state level, linking this to the violation of human rights in Uzbekistan.

More than a year has passed since then. Although President Islam Karimov has spoken from the UN platform, this was not regarded by the American side as an official visit to the United States. Now relations at state level should, after all, be established. U.S. firms and banks are already becoming firmly established in Uzbekistan's economy. In short, Shim'on Peres has the difficult task of reconciling Bill Clinton and Islam Karimov. Incidentally, one of the latter's daughters lives in the United States—she is married to an American of Uzbek extraction.

Karimov Calls for Economic Integration First

LD0407044194 Moscow Mayak Radio Network in Russian 0211 GMT 4 Jul 94

[From the "Panorama" program]

[Text] The idea of a Euro-Asian union has not died. Here is an interview with Uzbek President Islam Karimov:

[Begin Karimov recording] Speaking about Euro-Asia and other things, I would like to point out first that in economic integration we should see the prospects for political

integration. Let us unite first and find out how we can benefit from each other, with transcontinental or interstate corporations, for example. Economic associations will not deal with politics but will form the basis. As for politics, it is a superstructure. It has always existed and will continue to exist. We, on the contrary, seek to put the cart before the horse or, in other words, a carriage in front of a steam engine. We should tackle economic issues. No one must think we are against economic integration. I fully support it. I am in favor of seeing progress in economic integration. The agreement we signed two years ago on the economic union does not work. What hinders the development of the economic union and the implementation of its main tasks? Everything depends on Russia. It depends entirely on Russia whether the CIS will work effectively and whether it will develop. If Russia is interested in strengthening the CIS, the CIS has a future. Let us implement documents we adopted and tackle issues of economic integration. Then we will be able to form some kind of superstructures, some kind of political structures on this basis, like the European Union. The economy itself will dictate the need to resolve political and state issues, or if you prefer, international and interstate issues. [end recording]

Trade, Service Premises To Be Privatized

LD0507111494 Moscow Radio Rossii Network in Russian 0900 GMT 5 Jul 94

[Text] The Government of Uzbekistan has endorsed arrangements for the sale of trade and service premises, along with the land they occupy, into private hands. These assets may be sold to any corporate body or individual, including foreigners. Nor is there any need to declare sources of income. Real estate and land will be sold by competitive tender or auction. A mandatory condition of the sale is that purchasers retain the original identity of shops or workshops which they buy. Otherwise Uzbekistan's state property committee may take back the building, so long as the original value is repaid. However, no compensation will be paid for the land.

Armenia

Economic Relations Discussed With Georgia

LD0207105994 Moscow ITAR-TASS World Service in Russian 1007 GMT 2 Jul 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Stepanavan (Armenia), 2 Jul—A meeting of Prime Ministers Otar Patsatsia of Georgia and Hrant Bagratyan of Armenia has opened today at the mountain resort of Stepanavan in northern Armenia.

There will be talks on the economic cooperation of the two neighboring countries, the Georgian prime minister told an ITAR-TASS correspondent before the talks began. Our conversations are always conducted in an atmosphere of mutual advantage and are very useful to both our republics.

We will examine in detail how the intergovernmental agreements on economic cooperation are being fulfilled, the Georgian prime minister said. Economic links between Armenia and Georgia are becoming deeper every year, Patsatsia said. Commenting on the present state and the prospects of the two countries' economic relations, the prime minister of Georgia said: We must restore the integration of Armenia and Georgia, which used to exist before the Soviet Union fell apart to at least its former, and possibly a higher level.

Premiers Sign Economic Agreements

LD0307094594 Moscow ITAR-TASS World Service in Russian 0638 GMT 3 Jul 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Stepanavan (Armenia), 3 Jul—The meeting here on Saturday (2 July) evening between the prime ministers of Georgia and Armenia finished with the signing of three intergovernmental documents on regulating economic relations.

The concluded agreements are a step forward in the strengthening of economic cooperation between the two countries, Georgian Prime Minister Otar Patsatsia told an ITAR-TASS correspondent. In turn, Armenian Prime Minister Hrant Bagratyan also considers the results of the meeting as positive. He said that the documents signed and the shared opinion on a number of difficult issues testified to an increase in problem-solving at state level. The Armenian head of government stressed that although mutually acceptable solutions had not been found to all the issues, the parties had come to agreements in principle. A range of issues had also been concretely decided. According to him, these were mainly problems of a financial and economic character, reciprocal settling of accounts and reciprocal financial obligations on tariffs and services.

There were points of disagreement that persisted until the end of the talks. There will always be disagreements, Patsatsia said, but common ground needs to be found and compromises need to be made. We are finding ways, as we have done on a number of issues that had previously been left unresolved, the Georgian prime minister said.

The next meeting between the Armenian and Georgian prime ministers will be held in Tbilisi, Patsatsia said. In his opinion, everything depends on the work that the parties do on the documents signed. We see the guarantee of their implementation in common approaches in both the political and economic aspects and in good neighborliness and brotherhood between Armenia and Georgia, Patsatsia said.

President Receives Kyrgyz Prime Minister

NC0407201894 Yerevan Radio Yerevan International Service in Armenian 1530 GMT 4 Jul 94

[Text] Armenian President Levon Ter-Petrosyan today received Prime Minister of Kyrgyzstan Abbas Dzhumagulov. The Armenian president expressed satisfaction at this visit, which will contribute to the further deepening of ties between the two countries. Levon Ter-Petrosyan positively assessed prospects for the exchange of goods, creation of joint enterprises, and development of trade and economic ties between Armenia and Kyrgyzstan.

The prime minister of Kyrgyzstan explained the economic situation in his country and noted Kyrgyzstan's interest in developing mutually advantageous trade cooperation with Armenia.

A number of problems relating to cooperation, particularly in the field of light industry and gold production, were discussed during the meeting.

Amangeldi Nurayev deputy prime minister and minister of economy of Kyrgyzstan, [name and title as received], Armenian Prime Minister Grant Bagratyan, and State Minister Gagik Martirosyan took part in the meeting.

In replying to reporters' questions after the meeting, Armenian President Levon Ter-Petrosyan said in particular that he was pleased that the relations between the two countries are developing toward attaining international standards.

The Armenian President also noted that there is hope that peace might soon be established in Karabakh. Peace is needed, because war is the main obstacle to the resumption of normal economic life. Levon Ter-Petrosyan highly assessed the Bishkek meeting organized at the initiative of Medetkan Sherimkulov, chairman of the Kyrgyz parliament, which is an important step toward extricating the Karabakh conflict from the impasse.

The Armenian president also conveyed his greetings and words of praise to President of Kyrgyzstan Askar Akayev.

The intergovernmental agreements between Armenia and Kyrgyzstan were ceremoniously signed today at the state guest house in Yerevan. The preamble to the agreements says the governments of both countries aspire to promoting economic cooperation and undertaking to create

favorable conditions in each other's countries for capital investments by respecting the principle of equality and mutual interest.

The agreements, signed by the prime ministers of Armenia and of Kazakhstan, Grant Bagratyan and Abbas Dzhumagulov, relate to free trade, promotion and protection of capital investments, currency and credit ties, trade and economic cooperation, and non-trade ties. [words indistinct]. Relevant documents were also signed between the ministers of economy and national bank directors of the two countries.

Baburyan Gives News Conference in Strasbourg

NC0207190394 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1141 GMT 2 Jul 94

[Text] Stepanakert ("HAYASTANI HANRAPETUTYUN" daily), 07/02/94—A session of the Europarliament for countries, not involved in this organization, has been held in Strasbourg, and discussed peaceful resolution of the Karabakh conflict among other topics.

Acting Chairman of the RMK [Republic of Mountainous Karabakh] Supreme Council Karen Baburyan held a press conference at the end of the meeting.

The head of the Karabakh delegation acquainted high officials of the Europarliament and delegations of other countries, including Russian and CIS Interparliamentary Assembly, with the current situation in the region, reported about prospects of peaceful resolution of the conflict.

Baburyan has also met head of the commission on relations with countries, not involved in Europarliament David Atkinson.

Gas Shortage Due to Land Transit Problems

NC0207192094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1141 GMT 2 Jul 94

[Text] Yerevan ("RESPUBLICA ARMENIA" daily), 07/02/94—Population of Yerevan was receiving only 2 hours of electricity for already two days.

The reason is in significant (almost by half) decrease of the gas volume, reaching Armenia and Georgia. This decrease is caused by an age-old conflict between Turkmenistan and Uzbekistan, through which territory gas is transited to Transcaucasia. The two Asian republics are still unable to come to a conclusion regarding payments for gas transit.

Deputy Chairman of the "Haygas" state enterprise L. Simonyan said to a "RA" [Republic of Armenia] correspondent yesterday that a new version is now being discussed, according to which Russia will increase transfer of the Turkmen gas through its territory, bypassing Uzbekistan, by 7 mln.cu.m daily. It is planned that 2 mln.cu.m of this gas will go to Georgia, the rest 5 mln.—to Armenia.

Nevertheless, with some experience in this sphere we may expect that Georgia, facing a huge shortage of gas, will use the lion's share of the blue fuel for its own purposes. Still, the volume of gas, entering Armenia will increase even if this be the case. This may even affect tomorrow's electricity supply to the population.

Armenian, Azerbaijani Military Strengths Detailed

NC0307112094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0927 GMT 3 Jul 94

[Text] Yerevan ("AZG" daily), 07/01/94—Georgian newspaper "SHVIDI DGHE" published an article in the issue of June 4-9, giving detailed information about the arms possessed by the Armenian and Azeri armies.

According to the article, Russian Federation sent a significant quantity of arms and ammunition to Armenia, aiming to create a situation when only Russian armed forces are able to interfere with military operations.

Hence, the Armenian army involves 32,682 personnel (773 of them officers), 129 T-72 tanks, 192 BMP-1, 9 BMP-2, 7 BMP-1K, 67 BTR-70, 4 BTR-80 and 6 BTR-152 armored personnel carriers. The artillery consists of 63 122mm howitzers, 31 122mm "Gvozdika" howitzers, 20 152mm "Giatsint" cannons, 2 152mm "D-1" howitzers, 19 112mm shell dischargers, 42 112mm "Grad" installations. The Armenian airforce consists of 1 MiG-25 and 5 Su-25 jets and 13 Mi-24 helicopters.

The Azeri army involves 56,000 personnel (Misc. forces—48,920, airforce—2050, marine—1500, anti-air defense—3530), 163 T- 72 tanks, 116 T-55 tanks, 104 BMP-1, 191 BMP-2, 34 BMP-3, 90 BMD-1, 1 BMD-2, 8 BTR-60, 76 BTR-70, 9 BTR-80, 22 BTR-A (amphibian), 198 MT-LB land-rovers. The artillery consists of 153 112mm howitzers, 14 "Gvozdika", 36 "Akatsia", 36 152mm "D-20", 24 "Giatsint", 66 "Grad" installations. The airforce is made up from 6 MiG-2 [as received], 35 MiG-25, 7 Su-24, 3 Su-25, 2 Su-17, 6 Mi-24 helicopters.

Newspaper published no information about the Karabakh army and it is not clear whether the figures concerning the Armenian army also include that of Karabakh.

Military Reservists' Call-Up Period Extended

NC0307104694 Yerevan SNARK in English 1237 GMT 2 Jul 94

[Text] Yerevan, 2 July (SNARK)—The three-month military assembly term was lengthened on the territory of Armenia untill July 25 by the order of Defence Minister Serge Sarkisyan. This information was obtained by SNARK in the Armenian Defence Department.

The reservists participating in the assemblies were called-up on April 5 this year.

The order was issued on basis of the Law of Universal Military Service which enables the Minister to lengthen the terms of military assemblies till 6 months.

Azerbaijan

Baku Subway Explosion Called 'Act of Terrorism'

LD0307142294 Moscow ITAR-TASS in English 1341 GMT 3 Jul 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[Text] Baku July 3 TASS—Azerbaijan's law-enforcement agencies launched an investigation into today's explosion in an underground railway tunnel in the republic's capital Baku.

The explosion took place at 8:30 a.m. on Sunday. It killed six people and injured about thirty, according to the Baku police department and the Azeri transport prosecutor's office. Eighteen of the injured have been taken to the republican burn centre, the others are now at the emergency hospital, the Institute of Traumatology and other medical institutions. More detailed information is not yet available.

A special group has been set up to investigate the incident. It comprises prosecution officers, officials of the Azeri National Security, Interior and Defence Ministries, specialists in forensic medicine. However, experts are already confident that today's explosion between two central metro stations, Gyandzhlil and May 28, can be considered a well-planned act of terrorism.

It has been already found that a bomb was planted under a seat in the second carriage of the metro train. The same method was used when a bomb explosion at a different Baku metro station in March killed 12 people and injured about 20. An investigation by Baku police into who planted the bomb has so far proved fruitless.

The Azeri Government is expected to make a statement on the incident within the next few hours. A government commission, headed by Deputy Prime Minister Ali Takhmazov, has been already created. Experts continue working at the scene of the explosion.

Subway Security Tightened

LD0407132294 Moscow ITAR-TASS in English 1243 GMT 4 Jul 94

[By ITAR-TASS correspondents Sevindj Abdullayeva and Viktor Shulman]

[Text] Baku July 4 TASS—Tight security measures were taken on Monday on the Baku tube railway, where seven people were killed and tens of people were injured in a blast last Sunday.

According to verified data made available to ITAR-TASS on Monday morning by the Azerbaijani Health Ministry, 66 blast victims applied to Baku clinics for medical aid. Thirty-five of them are now in various hospitals, at the republican burn therapy centre, in particular. Some of the injured still remain in critical condition.

Beefed-up city police patrols keep vigil at many stations since Monday morning. In line with a decree issued by the president of Azerbaijan, the personnel of law enforcement agencies are given the right to check identity papers and inspect handbags and luggage of passengers.

President Geydar Aliyev visited the scene of the blast immediately after the event. He said he instructed appropriate agencies to toughen control over entry into the capital and to check compliance with passport registration regulations in the city without delay and take other measures to ensure the safety of city residents.

The head of state visited the city clinics where victims of the blast were put. On his instruction, all means and resources of the republican Health Ministry have been enlisted for the treatment of these people.

Aliyev described the blast as a "cruel terrorist act directed against the entire Azerbaijani people". "It is now difficult to draw any conclusions but I can say one thing: If this was done by forces inside the republic, their purpose is clear—to destabilise the situation in Azerbaijan and provoke confrontation in society", he said.

At the same time the head of state does not rule it out that the explosion in the underground railway was an act pre-planned outside the republic and carried out by "terrorists from the outside". Even if this is the case, it is highly probable that those terrorists are connected with certain forces inside the republic, Aliyev said.

Death Toll Reaches 7

LD0307162894 Moscow Mayak Radio Network in Russian 1500 GMT 3 Jul 94

[Text] The number of casualties in the metro blast in Baku, the capital of Azerbaijan, has risen to seven people. Six people died at the scene, and one died of burns in hospital. Among the casualties there are three women and one 12-year-old boy. Four of the 24 injured who were taken to hospital are in a critical state. In addition, some 50 people received slight injuries. In order to investigate the causes of the explosion, a government commission has been set up.

Conclusion of Aliyev's Visit to Iran Reported

NC0207182694 Baku Radio Baku Network in Azeri 1700 GMT 2 Jul 94

[Text] President Geydar Aliyev's official visit to Iran ended today. Aliyev received Foreign Minister 'Ali Akbar Velayati at his residence today. They discussed bilateral cooperation and the perspectives of diplomatic relations between Azerbaijan and Iran. Later, Aliyev attended a ceremony that was held in the Iranian Ministry of Foreign Affairs for the presentation of awards to some 50 Azerbaijani officials [words indistinct]. President Aliyev gave detailed information on the social and political situation in Azerbaijan and the problems caused in the Republic as a result of Armenia's aggression.

Geydar Aliyev also attended the session that was held by the Islamic Majlis and addressed the parliament members

today. The [word indistinct] created a significant basis for the improvement of relations between the parliaments of Azerbaijan and Iran.

President Aliyev has signed several documents which will regulate the relations between Azerbaijan and Iran. He held a press conference on the outcome of his visit today.

Aliyev Returns to Baku

LD0307121494 Moscow ITAR-TASS in English 1121 GMT 3 Jul 94

[By ITAR-TASS correspondent Oleg Kuzmin]

[Text] Tehran July 3 TASS—Azeri President Heydar Aliyev and his party left Tehran late on Saturday evening and returned to Baku after a four-day official visit to Iran. Aliyev and Iranian President 'Ali Akbar Hashemi-Rafsanjani signed an agreement on "the development of friendly relations" before the Azeri president's departure.

Earlier, Aliyev spoke about the Nagorno-Karabakh conflict. He accused "major powers" of supporting Armenia in its "barbaric war" against Azerbaijan. However, he refused to specify which country he had in mind.

The Azeri delegation visited the city of Isfahan during the visit as well as Kish Island in the Persian Gulf. Aliyev and his party held talks with the president, Iranian parliament speaker and the ministers of foreign affairs, economics, finance, oil, energy and public health. Aliyev met leader of the Islamic revolution 'Ali Khamenei on Saturday.

Commenting on the talks in Iran, local political analysts note that the Azeri president's achievements include further shifting of Tehran's position from neutrality in the Karabakh conflict to a firm support for Azerbaijan.

Prices Soar; Economy Seen Close to 'Abyss'

PM0507090194 Moscow ROSSIYSKAYA GAZETA in Russian 2 Jul 94 First Edition p 6

[Report by Arif Useynov: "Azerbaijan: Ahead Lies Abyss. Society's Poverty Becomes Historical Category"]

[Text] Baku—Prices of bread and bakery products in Azerbaijan have been increased 250 percent by a presidential edict, while fuel prices are up 500 percent. The delayed "shock therapy" has hit the population at the worst time—when poverty has even been officially recognized as the social condition of society. This is the consequence not only of the Nagorno-Karabakh war, but also of the profound deformations in the economy, which has seen a predominance of usury in the form of bank lending rates and disorder in the tax system.

The authorities, of course, had to react to the catastrophic state of the economy. A bottle of mineral water has become 15 times more expensive than a liter of gasoline, a kilo of bread is the same price as two boxes of matches. Will it somehow prove possible to rectify the situation with sensible economizing measures, without setting off new spirals of hyperinflation? Independent experts are not opposing the measures that have been taken, but they are not optimistic about them, believing that the financial and economic system in the republic has collapsed and has been farmed out to the corrupt clans and mafiosi who control the "black market." On the other hand, economic reform has been declared but not implemented, since the continuing war and the occupation of 20 percent of the republic's territory are making it impractical to divide up land and privatize state property. What should be divided up and how should it be done if a quarter of the state's national assets have been taken out of circulation?

Independent economists are advocating the introduction of the kind of economic state of emergency usually practised in wartime—regulated wages and food rationing. This would be a temporary but predictable measure. Prior to the presidential edict the minimum wage was 85 cents a month, now it is $2. $1.50 is paid to nonworking pensioners, and low-income families also receive subsidies. It is expected that wage indexation will be introduced. The average monthly salary in budget-funded organizations will be approximately $18-25. But the subsistence wage has already increased to $75-80. The newspaper MILLET [name as transliterated] is not joking when it recognizes that poverty has become a historical category for Azerbaijani society.

One small clarification. Business in Azerbaijan has long been transacted in dollars, since the manat has lost value at the same rate as prices have increased in the marketplace. And they cannot fail to increase, since the six-fold rise in the cost of gasoline cannot fail to affect the price of products delivered to the market. Multiple increases in the cost of air tickets, phone calls, electricity, and municipal services have also been announced.

Will production and agriculture be able to cope with such a complex economic situation? The warehouses are full of goods which cannot be sold because of high prices. Only two or three out of 10 plants are working normally. Turnover in the state trading system is approximately 2,400 manats and profit 480 manats at each of 3,477 retail outlets. This amount of money is enough to maintain just 0.2-0.3 meters of retail space if the new taxes—of 2,000 manats per meter—are to be paid. Whether we like it or not, the president's edict, which has rocked all of society, marks the line beyond which lies the abyss. Let us wait and see.

Aliyev Issues Edict To Tighten Control of Exports

LD0407165394 Moscow INTERFAX in English 1526 GMT 4 Jul 94

[From the "Presidential Bulletin" feature No. 126 (616) for 4 July 1994; compiled by Nikolay Zherebtsov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] President Geydar Aliyev has issued a decree to tighten control of exports.

A senior expert from the economic policy department of the president's office, Mail Ragimov, has told Interfax the reason for the decree, entitled "On Additional Measures to

Tighten Control of the Sales of Products to Foreign Countries," is that, despite last April's presidential decree providing for measures to liberalize Azerbaijan's foreign trade and setting limits for the sale of strategic goods for hard currency, the country still hardly exports any of its output. This year Azerbaijan has imported twice as much as it has exported. IF Note: In the first five months of the year, the country exported goods to a total of only $270 million, its imports in the same period being worth $410 million. The export of agricultural produce poses the most serious problems. Although a government exports and imports commission set up under April's decree allowed to export 70,000 tonnes of cotton, only a few tonnes have been sold to foreign customers so far. Nor has there been any considerable export of tobacco or snake venom, and the export of oil products, metal and other strategic goods has also been quite insignificant. The export of nonstrategic products has also been developing very slowly.

To improve the situation, the new decree orders that an emergency commission be formed which, within 10 days, has to find out the reasons why the minimum amounts of exports set by the previous decree have not been reached and to give the president a list of persons who are to blame for this. The commission must also estimate, within 10 days as well, the amount of products suitable for exports that have accumulated at the country's storehouses.

Gas Pipeline To Be Built From Iran to Nakhichevan

NC0107183894 Baku TURAN in English 1705 GMT 1 Jul 94

[Text] Tehran (July 1) TURAN—The Azeri state company Azerigas and Iran's Ministry of Oil and Gas reached an agreement on the issue concerning the building of gas pipe-line from Iran's city of Khoy to Nakhichevan's city of Dzhulfa. The length of the gas pipe-line is approximately 70 kilometres.

The President of Azerigas, Tariel Guseynov, said that yesterday Irani President Hashemi-Rafsanjani agreed to finance this project. For the past four years the project has been under discussion but its realization was postponed due to financial problems.

Guseynov mentioned that the Irani party reports that it will lay gas pipe-line within two and half years. "We hope that this term will be reviewed and later decreased. We are in hurry due to Nakhichevan's four-years blockade", said Guseynov.

The cost of project totals 17 m dollars. Its building is expected to [sentece incomplete as received].

Georgia

Shevardnadze Weekly Interview 4 Jul

LD0407085294 Tbilisi Radio Tbilisi Network in Georgian 0612 GMT 4 Jul 94

["Regular" studio interview with "head of the Georgian State," Eduard Shevardnadze, by correspondent Nato Oniani—live]

[Text] [Oniani] Mr. Eduard, last week proved to be quite busy in connection with Abkhazia. Despite the fact that the Abkhaz side breached the peace agreement by opening fire on Georgian villages in the Kodori gorge, Georgian refugees from Abkhazia still managed, somehow, inspired with hope, to establish a popular movement, For Native and Peaceful Abkhazia. Georgian and Russian officials visited Zugdidi. Ardzinba refused to meet Kozyrev and Abkhazians opened fire on the Russian servicemen trying to help a woman injured by a mine. And one more interesting tendency, in connection with the United Nation's adoption of a mandate—Kozyrev called on the United Nations to take active steps instead of backing away and telling people what to do. Do you agree with this stance? Was the United Nations and the West, for that matter, passive in this process? Or is this a seeming passivity, and is it compensated in other ways?

[Shevardnadze] Good morning. I would like to say I was greatly satisfied by the meeting of the popular movement which called itself For Native and Peaceful Abkhazia. Of course, I welcome it, and everything that is directed toward solidarity deserves our great support.

Those who wrecked Abkhazia's unity have damaged greatly Georgia and themselves. It happened during the fall of Sukhumi and generally at every stage of the Abkhazian tragedy. It does not matter who wrecks the unity, the slaves of the former president or some forces in parliament. Unity is the first and foremost stipulation for the return [of refugees] and for restoring lawfulness.

As for complications at an initial stage, we must anticipate even more grave complications at later stages. There will be subversive attempts directed toward Russian peacekeeping forces, the Georgian population, and the main aim for these provocations will be to wreck the peacekeeping mission. The United Nations undoubtedly plays a major role. It would be unfair to ignore it. But, at the same time, it must be said that this organization worked according to the old standards and traditions, and on the basis of already established regulations and documents.

But what the United Nations did for Georgia will be of major importance in future. It is good that at the last stage, the United Nations supported Russia's peacekeeping mission, although this support is rather general and was obtained at a cost of a great effort. I know that for the past one month, the inclination of the United Nations was to make a neutral and, I would say, on a general note, that the United Nations was aware of the fact that the CIS was carrying out this mission. [sentence as heard]

One result of the activity of the Russian delegation is that the United Nations supported this process. I must say that such conflicts are a daily routine for the United Nations, and its dynamism, which we demand, is sometimes difficult for it to understand. That is why we are looking at a different solution today.

But we must be grateful for what the United Nations did and will do in future. In particular, I mean a group of numerous observers, a group which has to be created; the

one which we have in Abkhazia is not enough; and the activities of the Supreme Commissariat For Refugees. It is a very serious institute, as I have said many times before, especially from the point of view of material support. The resolutions which have been passed create a legal basis for the final resolution of the conflict, and it must not be ignored. In my opinion, the United Nations' activities will not slacken and they must not slacken.

Mr. Eduard Brunner, the first deputy envoy to the secretary general, visited Georgia. Yesterday he met Jaba Ioseliani and other members of our delegation. They had a serious dialogue. I will meet him today. Mr. Brunner will also meet a group of deputies, among them will be the group which is quite skeptical toward this peacekeeping mission; I think they will have an honest and interesting dialogue.

The last resolution proves that in resolving the Abkhaz conflict we are looking at a very serious experiment, a very important political experiment whereby Russia takes the brunt of the responsibility. Georgian and Abkhazians, the Russian population evicted from this region, as well as Armenians, Greeks and Jews are pinning high hopes on the Russian armed forces, the Russian authorities and diplomacy to start this peacekeeping mission and take on this responsibility; I repeat, people of every nationality. A special visit by Kozyrev speaks for the fact that Russia regards and appreciates the importance of this mission, not only for Russia itself but for the Caucasus and the world public. His visit was not aimed at participating in the work of the Black Sea Economic Corporation Organization, but rather at negotiating with us. He had planned to meet the Abkhazians. I do not want to build politics out of this, but I would like to express my regret that this meeting did not take place. Had it taken place, it could have been useful. I would also like to remind you of the visit by the Russian defense minister, Grachev; several visits by his first deputy, Kondratyev, and other top brass. I would like to inform you that the Russian president, Yeltsin, has expressed a keen interest in the last action, as well as the prime minister, Chernomyrdin, and other Russian authorities. If Russia continues its activities and actions with such intensity, then things cannot end badly.

[Oniani] Thank you. Last week, Tbilisi hosted an important international forum—a meeting of foreign ministers of the countries of the Black Sea Economic Cooperation Organization. What are the prospects for the BSEC? Is it gradually gaining a political tinge?

[Shevardnadze] BSEC, first of all, is an economic alliance. The word alliance is a bit of a far-reaching assessment, but I think that it will assume a form of an alliance. Beyond any doubt, it has a great future. If it becomes a stronger economic organization, it will naturally mean that political stability will gain the guarantees for economic security. This is exactly the political aspect of the BSEC's activity. I would like to stress and welcome a special activity of the Turkish Government. A serious economic cooperation in the Black Sea basin countries will be one of the key guarantors for the political stability in these countries.

[Oniani] Last week, parliament passed the budget submitted by the government. It was a rather heavy budget. Several interesting economic documents have been worked out recently. The vice premier and the president of the National Bank arrived from America with quite promising results. Russia has already started to analyze the existing situation after the end of the privatization of vouchers; and it is getting ready for the next stage.

[Shevardnadze] The budget had to be passed in a good time. When we submitted it, it was heavy, and now it has become even heavier as passing it has been dragged out. Had it happened in a timely way, then losses would have been much less. Unfortunately, it is a difficult task to clarify the truth in parliament, and often political or party interests prevail over the interests of the state. Unfortunately, we have suffered great losses in industry and agriculture. At the moment, there are relatively better conditions for stepping up economic activities. Stepping up privatization in Russia is welcome. It reinforces our stance as well. Although we are following an improved pattern, a slightly different path, we still are aiming at stepping up privatization.

Since my visit to Washington, an effective cooperation has started with the World Bank and the IMF. The dialogue of Basilia and Javakhishvili was undoubtedly fruitful. It must be followed by making our relations and cooperation more active. Several delegations have already visited Georgia.

By the fall we are expecting a serious material support on the part of these organizations. The first stipulation for their support is to retain and reinforce stability. Everybody must understand it, every citizen of Georgia, among them the most aggressive wing of the opposition. The country will come out of the crisis by joint efforts and by reaching stabilit[illegible].

[Oniani] Despite the announced parliamentary vacations, one group of representatives of Georgia's supreme legislative body is still attempting to meet this Thursday—the day for parliament sessions. I mean the rally announced by the opposition. What are the other side of the authorities—the supreme authorities and law-enforcement bodies—going to do?

[Shevardnadze] I would not have divided them so evenly. The nucleus of the authorities and the population is set to work. Personally, I am working very actively on draft laws on the economy, the adoption of which in parliament has been dragged out. It may grow into a serious hurdle, especially from the point of view of attracting foreign investments. I must say that abroad, among business circles, the interest toward Georgia has grown as a result of stability and the peacekeeping mission.

We are getting ready for winter as fast as we can. It is a serious preparation. We are working and consulting. We are summing up the results of law-enforcement activities; we are working hard at it.

Others, the ones you have in mind, are thinking of rallies. What can I say? Rallies are unlimited. Let us see what they achieve.

[Oniani] A big meeting of law-enforcement bodies is to be held on 8 July. The information about it has been transmitted earlier. President Yeltsin has started a federal program to combat banditry. Are we to expect the similar measures in Georgia?

[Shevardnadze] We have been preparing for this meeting carefully. Preliminary meetings have already taken place. It heralds the beginning of a new stage in enforcing law. You know, and nobody will deny, that certain work has been done, and order has improved slightly in the country.

We must think of a new stage. The meeting may be followed by issuing a decree by the head of state corresponding to the new stage and defining the essence of the new stage. We are thinking about work and order, and a part of the opposition—rallies. Let us see who the people will support. Further steps by the authorities will be adequate to gain such support.

[Oniani] Now about the elections in Rustavi. Despite the fact that two candidates have withdrawn their nominations in protest, elections still took place. Are the first results available? Do we know how the elections proceeded?

[Shevardnadze] I have an idea about the preliminary data and the percentage of the voters—this is what is important for me, and not who will be elected. In principle, the elections in Rustavi must become a subject for serious consideration, I mean both the previous and yesterday's elections. I repeat, it does not matter who will be elected. If the nominee has been registered and the law has not been breached, people must choose whoever they trust and support. The main thing is by what means this is done. Regulations for future elections must be thoroughly reviewed. Defective regulations which enable electing a deputy by votes of 8, 10 or even 15 percent of the population will undoubtedly lead us to grave results. I am talking with regard to the future, and I mean future elections and not the will expressed by the population of Rustavi.

[Oniani] Finally, one more question. Last week, a meeting was held which, among other issues, discussed foreign investments in Georgian oil. If I am not mistaken, English companies are interested in this. At what stage is this process?

[Shevardnadze] I have worked on the issues of Georgian oil for slightly over 20 years. Of course, not as a specialist but from the angle of a statesman and politician. You probably remember that in the 1980's over 3 million tonnes of oil used to be extracted. A dog would not bark at our luck if we now had this amount of oil. Later on, this business was abandoned and nobody had time for it. I believe that there are deposits of oil and gas in Georgia, and it is not just my trust; I mean the geological data we have. Three very authoritative foreign firms are of the same opinion. These firms are starting boring these days. I hope that the results will be tangible. Here, too, we have the problem of order. As of tomorrow, the laws adopted by parliament on guarding oil pipelines, oil bore holes, oil deposits, and the fight against oil plundering are due to come into effect. I do not want to jump the gun by making sensational statements, but I think there is this wealth in our God-blessed bowels of the earth and that it will be used for our people's welfare.

[Oniani] Thank you very much.

Kozyrev Rejects Criticism of Russian Peacekeepers

LD0107180594 Moscow ITAR-TASS World Service in Russian 1718 GMT 1 Jul 94

[By ITAR-TASS correspondent]

[Text] Sochi, 1 Jul—After visiting the CIS peacekeeping troops in the Georgian-Abkhaz conflict zone, Russian Foreign Minister Andrey Kozyrev told the ITAR-TASS correspondent in Sochi:

"My visit to the CIS peacekeeping forces in the Georgian-Abkhaz conflict zone has convinced me that their deployment was acutely needed. The Russian peacekeepers are carrying out their duties selflessly and precisely, in difficult conditions. Their presence is welcomed by the local populace.

"We resolutely reject the attempts being made by the Abkhaz leadership to cast aspersions on the Russian servicemen. It is evidently no accident that Vladislav Ardzinba did not deem it his duty to meet the Russian foreign minister. It seems some people have started to forget what Russia is."

Kozyrev Fails To Meet Abkhaz Leaders

LD0207162194 Moscow INTERFAX in English 1445 GMT 2 Jul 94

[Text] Chairman Vladislav Ardzinba of the Abkhazian Supreme Soviet rejected what the Russian Foreign Ministry said about his failure to meet with visiting Foreign Minister Andrey Kozyrev. According to a Ministry report, Ardzinba saw no need for meeting with Kozyrev.

Ardzinba told Interfax that Kozyrev failed to keep an appointment with the Abkhazian leaders.

The Foreign Ministry statement was at least strange, Ardzinba said. The Abkhazian leaders had in all seriousness been getting ready for the meeting but at the very last moment Kozyrev changed plans to board a flight for Sochi. Ardzinba said that although they were unable to understand reasons for that disrespectful behavior, the Abkhazian leaders refused to see Kozyrev's moves as a manifestation of Moscow's attitude toward themselves and the Abkhazian people as a whole and hoped Kozyrev's slip-up would in no way tell on fraternal relations between Russia and Abkhazia.

In Ardzinba's view, it was obvious that the deployment of Russian peacekeepers on the Georgia-Abkhazia border on the Inguri river created favorable conditions for regional

stabilization. The Abkhazian people, he said, pinned hope on the Russian presence in their republic and would do their utmost for peace.

According to Ardzinba, the republic would do its utmost to make the Russian peacekeepers feel at home.

Ardzinba said the Georgian leaders failed to show realism now that Tbilisi still placed its bets on the use of force in relations with Abkhazia. Hopefully, however, he said, the Georgian leaders would reconsider their strategies and Abkhazia would be prepared to meet halfway their painstaking efforts for peace.

Shevardnadze Comments on Kozyrev Visit

LD0107211494 Moscow NTV in Russian 1800 GMT 1 Jul 94

[Excerpt] [passage omitted] [Unidentified correspondent] After meeting Eduard Shevardnadze, Russian Foreign Minister Andrey Kozyrev told journalists he planned to go to Gudauta and meet the Russian peacekeepers.

[Begin Kozyrev recording] First of all to support our Russian peacekeepers, second, to see what help they need to carry out the agreement and their mission in this very complex region. [end recording]

[Correspondent] Andrey Kozyrev was seen off at the airport by the Georgian head of state personally. Experts in diplomatic protocol think this was emphasis of the high regard in which he holds the foreign minister's country of origin. This was how Eduard Shevardnadze assessed the visit by the Russian delegation: [video shows Shevardnadze interviewed at airport]

[Begin Shevardnadze recording] The Russian leadership firmly [word indistinct] us not just to take part in this process but to achieve a quick result, most importantly in returning refugees. To provide for [word indistinct] settlement, in the interests of Georgia as a whole, naturally in the interests of Russia, and bearing in mind the interests of Abkhazia. [end recording] [passage omitted]

Shevardnadze Satisfied With Talks

LD0307193394 Moscow NTV in Russian 1700 GMT 3 Jul 94

[From the "Itogi" program]

[Excerpts] [passage omitted] [Correspondent Vladimir Luskanov] Andrey Kozyrev has had two days of intense talks with Eduard Shevardnadze in Tbilisi.

[Begin Shevardnadze recording] We managed to discuss the main problems now facing our countries in connection with the deployment of the peacekeeping forces in Abkhazia. To some extent we touched upon the problems of the [word indistinct] region. Our discussion was very specific, very concrete. We realize what problems we could face. I would like to emphasize one thing: The Russian leadership has defined it position clearly, and it is not just to participate in this process but to produce results quickly, i.e. to ensure the return of the refugees. [end recording] [passage omitted]

Positions Under Bombardment in Kodor Gorge

LD0207082694 Moscow ITAR-TASS in English 0738 GMT 2 Jul 94

[By ITAR-TASS correspondent Zurab Argun]

[Text] Sukhumi July 2 TASS—According to a report by the Abkhazian Defence Ministry, Georgian armed groups in Kodor Gorge on Friday continued the artillery bombardment of Abkhazian troops' positions.

The deployment of a CIS peacekeeping force along Inguri river did not influence the situation in the northern mountainous part of Abkhazia because the Kodor Gorge is located at a distance of 200 kilometres from the peacekeeprs' deployment area.

The Abkhazian leadership insists that the Georgian side meets its pledges to withdraw the remaining armed groups as is provided for by the ceasefire agreement, signed in Moscow on May 14, on the cessation of fire and disengagement of the warring sides.

Kodor Gorge Situation 'Difficult'

LD0207215094 Moscow Russian Television Network in Russian 1920 GMT 2 Jul 94

[Text] General Potapov, a commander with the Russian peacekeeping forces, has described the situation in the Kodor gorge, on the territory of Abkhazia, as extremely difficult. Our correspondent, Shirokova, reports:

[Shirokova] According to Georgian Defense Ministry information, Abkhaz formations are continuing to shell the positions of the Georgian irregulars in the Kodor Gorge. Abkhaz forces are massing in the village of Verkhnyaya Lata. The Georgian Defense Ministry stresses that there are no government troops in the gorge, and that it is local residents who are carrying out its defense.

Georgian Deputy Prime Minister Tamaz Nadareishvili has declared that the location of the peacekeeping forces' posts is ill-considered, and they cannot protect all Georgian villages. For its part, the Abkhaz side denies this report, describing it as an attempt to place the blame on the other side.

It was announced today that the UN Security Council has extended the powers of its observers in Abkhazia until 21 July.

Abkhazia, Georgia Accuse Each Other of Attacks

LD0507131194 Moscow ITAR-TASS in English 1223 GMT 5 Jul 94

[By ITAR-TASS correspondents]

[Text] Sochi/Tbilisi July 5 TASS—Abkhazia and Georgia accused each other today of shelling and firing at their positions in the Kodor Gorge, only a day or two before

Russian peacekeepers are to be deployed in this mountainous part of Abkhazia populated by Georgians.

Georgian armed groups went on firing today at the positions of the Abkhazian troops in the Kodor Gorge, the information ministry of Abkhazia told TASS.

According to the Abkhazian side, a group of Russian peacekeepers is to arrive to the gorge in a day or two.

Meanwhile, the Georgian Defence Ministry has reported that Abkhazian troops resumed heavy shelling of Georgian villages in the Kodor Gorge on Monday evening.

Georgian Vice-Premier Tamaz Nadareishvili said on national tv this morning that Abkhazian troops which were withdrawn from the Galksy district in Abkhazia were redeployed to the Kodor Gorge area and are fighting against Georgians.

Kondratyev Assesses Situation in War Zone

LD0407152994 Moscow INTERFAX in English 1306 GMT 4 Jul 94

[Text] Colonel General Georgiy Kondratyev, Russian deputy defense minister, denied Abkhazian reports that the Russian peace-keeping troops enable 10,000 Georgian refugees to cross into the Gali District.

He told Interfax Monday that this was not true and that the peacekeepers had their hands full dividing the warring parties.

Kondratyev, who is in command of the peace-keeping mission in the Georgian-Abkhazian war zone, said that these reports spread by the Abkhazian leadership were obstructive.

He emphasized that the return of Georgian refugees to their homes in Abkhazia was vitally important for resolving the conflict.

Kondratyev thought that the Georgian and Abkhazian leaders had to start talks immediately to resolve the problem. He thought that everybody was entitled to return to his home and the graves of his ancestors while criminals on both sides had to be dealt with.

Kondratyev said that the Russian peacekeepers were completing the first stage of their operation. According to him, the warring parties have retreated to positions 12 km away from each other, observation posts have been set up, the mine clearing was continuing and heavy weapons were being moved to agreed sites.

Kondratyev said that none of the Russian soldiers were hurt in the recent fire exchanges. He explained that the Russian troops had the necessary means, including fire power, to fight back any attack made on them. He said that the situation in the zone was calming down following a recent flare up of fighting.

Kondratyev said he intended to go to the Georgian-Abkhazian war zone early Tuesday.

Abkhaz Leader Praises Russian Peacekeeping Mission

LD0407095594 Moscow Radio Rossii Network in Russian 0900 GMT 4 Jul 94

[Text] Vladislav Ardzinba, chairman of Abkhazia's Supreme Council, highly appreciates the role being played by the Russian peacekeeping forces in resolving the Georgian-Abkhazian conflict. We are grateful to Russia for taking on such a responsible peacekeeping mission, and will render total assistance in order to make this undertaking successful, he said to a RIA correspondent. We welcome the Russian servicemen who have arrived on the territory of Abkhazia as representatives of a state which has always strived to establish peace and stability on the Black Sea coast of the Caucasus.

Patsatsia Praises Peacekeepers' Effect in Abkhazia

LD0207115894 Moscow ITAR-TASS in English 1103 GMT 2 Jul 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Stepanavan, Armenia July 2 TASS—According to Georgian Prime Minister Otar Patsatsia, the deployment of the peace-keeping troops in the area of the Georgian-Abkhazian conflict is already making a positive impact on the situation. He said that here today in an interview with ITAR-TASS after he arrived here to a meeting with the head of the Armenian Government.

Preparations are under way for the return of refugees, and the first group will come soon, the Georgian prime minister said.

Peacekeeping Forces 'Destabilizing' Situation

LD0107180294 Tbilisi Radio Tbilisi Network in Russian 1510 GMT 1 Jul 94

[Text] Major General Patapov, deputy commander of the Group of Russian Forces in the Transcaucasus and head of the headquarters of the southern zone of the Russian peacekeeping troops has said that there are tendencies for destabilizing the situation on the controlled territory by those who call themselves representatives of the peacekeeping contingent. Although instances have not yet been disclosed, information about such attempts are being received. It is not necessarily the Abkhaz or the Georgian sides which are being blamed for this.

Maj. Gen. Patapov also commented on recent developments in the Kodori gorge. Touching upon the issue of the technical implementation of the operation for separating forces in the Kodori gorge, Maj. Gen. Patapov said that powerful, mobile subunits would be employed which, in case of need, would react promptly to any resumption of combat actions in this region.

Georgia, Abkhazia 'Pin Great Hopes' on Peacekeepers

LD0407175294 Moscow ITAR-TASS in English 1719 GMT 4 Jul 94

[By ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow July 4 TASS—"The Abkhazian and Georgian sides pin great hopes on the deployment of Russian peace-keeping troops" in the region, Konstantin Zatulin, chairman of the Russian State Duma Committee for the CIS and Relations with Compatriots, said.

In an interview with ITAR-TASS on Monday, Zatulin, who has just returned from a trip to the war zone, said that the Georgian side hopes that the deployment of Russian peace-keeping troops will help it solve the problem of refugees who number about 250,000 and facilitate their soon return to their homeland.

The statements of some high-ranking Georgian officials show that there are additional incentives for attempts to try to solve, under the aegis of Russian peace-keeping troops, the dispute over Abkhazia's status.

Zatulin confessed that the statement that Russia and Georgia are conducting a joint peace-keeping operation surprised him. "I would like very much the rumours that Georgian leaders are pushing refugees to begin crossing the Inguri river as soon as possible and in big numbers in order to return to their homes to prove false," he said.

"All those who call for this are assuming heavy responsibility because there are haphazard mine fields on both banks of the river and several victims have already been reported," Zatulin continued.

Abkhazia is also concerned about reports that part of the Russian troops stationed on the Georgian side are ethnic Georgians. Zatulin pointed out that it would be advisable not to use Abkhazian or Georgian soldiers in the operation.

Vice Premier's Statement Assails Abkhaz Moves

LD0407214194 Tbilisi Radio Tbilisi Network in Georgian 1950 GMT 4 Jul 94

["Statement by Georgian Deputy Premier Tamaz Nadareishvili"—read by announcer]

[Text] It is known that since the deployment of Russian peacekeeping forces in the Abkhaz-Georgian conflict zone, the actual outlines of the settlement of the conflict and the return of refugees to their homes have become visible.

The Abkhaz side, unhappy with the way events are developing, is trying to make the process fail and prevent the ethnic Georgian population from returning en masse to their homes. Having taken advantage of the fact that Russian troops have been deployed only in a narrow zone along the Inguri River, thus setting an official border, incidentally with all its features, between Georgia and Abkhazia, the separatists and their foreign allies have renewed attacks on the civilian population remaining in Gali Rayon. There are casualties. Scores of houses belonging to ethnic Georgians have been burned down and looted.

Moreover, the Gudauta leaders have urgently moved to the Kodori Gorge military units previously stationed in the border area in Gali Rayon and renewed all-out attacks against the Georgian people's volunteer corps. Besides, the Abkhaz side has blatantly violated a previous agreement on permitting Georgian military observers to enter the territory controlled by Abkhazs; it has impeded prompt and efficient treatment of procedures connected with the return of refugees, and inflamed public opinion against the return of refugees. This is well demonstrated by recent rallies held in Sukhumi and other towns. Georgian refugees, all of them without exception, have been officially accused of crimes at these rallies.

To make a long story short, it is evident that Ardzinba's fascist clique is consistent in its attempts to accomplish a far-reaching aim to finally separate Abkhazia from the rest of Georgia and legitimize the existence of an independent Abkhaz state.

All this clearly jeopardizes the peacekeeping operation initiated by Russia, and full responsibility for this will rest on the Abkhaz side.

UN Envoy Meets Ioseliani, Backs Federal Georgia

LD0407200194 Tbilisi First Program Television Network in Georgian 1600 GMT 4 Jul 94

[Excerpts] Edouard Brunner, the UN secretary general's personal envoy in Georgia, met today Jaba Ioseliani, the head of the Georgian delegation at the Abkhaz-Georgian negotiations.

[Unidentified correspondent] Jaba Ioseliani thanked the guest for active cooperation in the process of the peaceful settlement of the conflict. He pointed out that Brunner's plan had made it possible to avoid the failure of the Geneva talks and begin the peace process in the region. [passage omitted]

While describing the current situation in the region, Brunner emphasized that the accomplishment of the peace mission by Russian troops facilitated the beginning of the process, because the United Nations had no sufficient financial means and military resources acceptable for both conflicting sides. He also emphasized the importance of increasing the number of UN observers and extending their mission. A decision on this issue will be taken soon.

However, Russian commanders will not permit excessive control and interference in their affairs, Brunner said. Their arguments are quite convincing: If you want to control, carry out the operation yourselves, they will say. This would seriously impede the peace process. All must be handled delicately. This will not apparently be called supervision or monitoring. It would better be a cooperation of all sides. [passage omitted]

Speaking of the return of refugees, the participants of the meeting have voiced a wish to attract money from donor countries to create a fund for their return. [passage omitted]

The principle of a federal structure, regarded by Brunner as most acceptable at the moment, is a compromise, not only from the Georgian side. Abkhazia will also have to give up the idea of independence. [passage omitted]

Georgia's territorial integrity is a clear-cut condition for all international organizations. [passage omitted] Brunner has said that he does not have a clear idea about a type of future federation because all this is to be defined during bilateral negotiations. [passage omitted]

Estonia

Clinton Comments on Eve of Visit

WS0507084694 Tallinn BNS in English 1813 GMT 4 Jul 94

[Text] Tallinn, Jul 04, BNS—U.S. President Bill Clinton believes that Russia will fulfill its international commitment to Latvia and that it will withdraw its troops from this Baltic nation by the end of August. Clinton also thinks Russian troops will be out of Estonia before long. This is what the U.S. President said in an interview to Polish journalists and a Riga-based English-language newspaper, THE BALTIC OBSERVER, on the eve of his visit to Riga and Warsaw.

"There is a recognition on the part of the Russians that (the Baltic states) are three truly independent countries and should be treated as such," Clinton said.

The U.S. President assured that it will be easy for his country to guarantee observation of the agreements concluded between Russia and Latvia, because the United States essentially brokered those agreements. Clinton said he personally talked at great length about it with Russian President Boris Yeltsin during their meeting in January. In Clinton's opinion, the best assurance that the troop withdrawal will occur is the United States' promise of a significant amount of money to facilitate the process.

The aid program is based on the requirement that Russia pull out its troops from Latvia by the deadline, Clinton told reporters. "I see no reason to believe, particularly after the major troop components are gone, that the Russians won't follow through on their commitment," he added.

The United States has promised to provide six million U.S. dollars to build housing in Russia for the troops withdrawn from the Baltic states. Commenting on THE BALTIC OBSERVER correspondent's claim that there are reports Russia doesn't use the funds as intended, Clinton said: "It would not be in the best interest of the Government of Russia for this money not to be spent in the appropriate way. Because, after all, if we make a commitment and we deliver the money and they withdraw the soldiers—which they have to do, it's part of the deal—then I would think it would not be in their interest not to build the houses for the soldiers, because the whole idea is to try to stabilize the domestic political situation by doing the right thing by the soldiers who are coming home and giving them some way to make a decent life for themselves."

Foreign Minister Visits U.S., Canada

WS0407115694 Tallinn ETA in English 0844 GMT 4 Jul 94

[From 2 Jul PUHAPAEVALEHT, HOMMIKULEHT, p 3; "News Bulletin" No. 126/94]

[Excerpts] Monday, July 4—Estonian Foreign Minister Juri Luik arrived back from his visits to Canada and United States on July 1.

Luik and Canadian Foreign Minister Andre Ouellet signed a bilateral trade and business agreement, which, according to Luik, makes it possible to establish joint enterprises, exporting to Estonia modern technology and produce goods for North-American market by Estonian industry. Ouellet also promised to support Estonia in the demand of the unconditional withdrawal of Russian armed forces by August 31. There were also discussions about Estonian-Canadian trade relations, Canadian aid programmes to Estonia and visa regime.

Luik met Canadian Fishery Minister Brian Tobin in Ottawa, representatives of business spheres and Canadian Estonians.

In Washington Juri Luik had a meeting with U.S. Deputy Foreign Minister [title as received] Strobe Talbott and with Anthony Lake, the adviser to U.S. President on national security. The main talk concentrated on the coming visit of Bill Clinton to Riga and "the message, which the U.S. Administration wishes to deliver to the Baltic peoples with this visit."

"U.S. Administration gave its full support to our policy on the withdrawal of Russian troops," Luik said. He added that he had discussed with Talbott some problems that have risen in connection with Estonia participating in the "Partnership for Peace" programme. He told the problems are mostly financial. [passage omitted]

Luik was asked to comment the present situation in Estonia, but declined to do that, saying he wished to make some inquiries before making any statement. [passage omitted]

PRC Supports Demands for Russian Withdrawal

LD0207135094 Moscow INTERFAX in English 1245 GMT 2 Jul 94

[Text] China's Vice Premier and Foreign Minister Qian Qichen declared that his country entirely supports Estonia's demands to withdraw Russian forces from this Baltic state by August 31, 1994.

Commenting the first results of his official visit to Estonia which started on Friday evening, he declared at a meeting with journalists that Beijing is also against granting a special mandate for the activity of Russia's peacekeeping forces in the neighboring states.

"It should be accomplished on the basis of the international law and international agreements," stressed the vice premier.

Qian Qichen reported that in the course of his negotiations with the Estonian Prime Minister Mart Laar and Foreign Minister Juri Luik the parties will pay special attention to the development of bilateral trade-economic relations.

He declared about China's readiness to grant a preferential credit to Estonia amounting to 30 million yuans ($6 million) to procure Chinese goods. Beijing also showed interest in the construction of transit storage facilities in Estonia. The parties reached an agreement that leaders of

the central banks of two countries would meet in the near term to discuss the problem of mutual accounts.

Latvia

Prime Minister Comments on Clinton Visit

WS0407115194 Tallinn BNS in English 1551 GMT 1 Jul 94

[Excerpt] Riga, July 01, BNS—U.S. President Bill Clinton's visit to Latvia attests that the United States of America supports Latvia's inner and foreign policy, Prime Minister Valdis Birkavs told BNS on Friday. Clinton's visit shows that America's interest about Latvia has increased, said Birkavs.

Clinton, when speaking about granting more favorable status to the U.S. trade with China, said that the United States can influence a solution of a problem positively in some state just "from inside." Thus Clinton's visit to Latvia, agreements and further relations with the United States will promote positive solution of Latvia's problems as well, said Birkavs.

"Clinton's visit to Latvia is very important for us," said Birkavs, "kings, the pope and presidents of different states have visited Latvia, but the U.S. President's visit is as important as the role of the United States in the world." [passage omitted]

Police Crackdown on Crime Before Clinton Visit

LD0307162694 Moscow Mayak Radio Network in Russian 1530 GMT 3 Jul 94

[Text] In expectation of the visit of U.S. President Bill Clinton to the republic, Latvian police have carried out a large-scale operation to expose the criminal elements. Eighty-six people have been detained for various law violations, 289 people have been subjected to administrative punishment, and documents have been prepared for the eviction of 11 persons from Latvia.

Riga Takes Security Measures

LD0407210294 Riga Radio Riga Network in Latvian 2000 GMT 4 Jul 94

[Text] On Monday the press center of the Latvian Ministry of Internal Affairs issued a statement on traffic restrictions in the centre of Riga on 6 July during Bill Clinton's visit. Security measures will include inspection of all metal objects; people living near Clinton's route are encouraged to view the proceedings on television, rather than open their windows.

Cabinet Approves Agreements With United States

LD0407191494 Riga Radio Riga Network in Latvian 1900 GMT 4 Jul 94

[Excerpt] The Economic and Finance Committee of the Cabinet of Ministers today approved the draft treaty between the Republic of Latvia and the United States on trade relations and on the protection of intellectual property, as well as a draft agreement on cooperation between the two countries in science and technology. The agreements are due to be signed on 6 July by U.S. President Bill Clinton and Latvian Prime Minister Valdis Birkavs. [passage omitted]

Embassy Demonstrators Protest U.S. 'Interference'

LD0107130394 Riga Radio Riga Network in Latvian 1200 GMT 1 Jul 94

[Text] The visit to Latvia by U.S. President Bill Clinton is testimony that the United States supports Latvia's national foreign and internal policy trends, said Prime Minister Valdis Birkavs in a telephone interview today with the Baltic News Agency. The prime minister explained that Clinton's visit to Latvia and the agreements and future relations with the United States will also promote a positive solution to Latvia's problems. As is known, Bill Clinton will visit Riga on 6 July to meet the presidents of the three Baltic countries and discuss the withdrawal of the Russian Army from Latvia and Estonia, as well as Baltic integration into the western world in the economic and security spheres. Clinton and Birkavs are due, during Clinton's visit, to sign an agreement on trade relations and the protection of intellectual property.

Demonstrators were at the U.S. Embassy today, protesting against interference by the United States and other countries in Latvia's internal affairs in the adoption of the citizenship law. Demonstrators held placards saying Nations [words indistinct]; Mr. Clinton, don't interfere in our citizenship question; In Latvia's demographic situation, Latvians are a minority in their own country. About 15 people were demonstrating, some of them members of the Helsinki 86 group. Among the demonstrators was one of the most noted Latvian political activists resident abroad, the representative of the Toronto branch of the Daugavas Vanagi [Falcons of the Daugava] organization, (?Verners Cinis). He was in Latvia to take part in an international scientific conference on the operation of the Skrunda radar station.

Lithuania

FBI Delegation Concludes Visit

LD0207134594 Vilnius Radio Vilnius Network in Lithuanian 1100 GMT 2 Jul 94

[Excerpts] FBI Director Louis Freeh held a news conference in the government palace on the conclusion of his visit to Lithuania today, ELTA reports.

Prime Minister Adolfas Slezevicius, who attended the news conference, said that a joint statement signed by the law enforcement officials of Lithuania, Latvia, Estonia, and the United States lays foundations of cooperation in combating organized crimes, controlling state borders, and the transportation of drugs and nuclear substances.

The participants in the meeting supported the conclusion that the increase in organized crime in the Baltic states are characteristic of other European countries, too. They also supported a proposal to give priority to negotiations among states in improving or signing bilateral agreements on legal aid and the extradition of criminals.

It is intended to exchange information on the capacities of investigation of the sides, the experience of research laboratories, and the achievements of communications and computer technology. For this purpose the participants expressed their intention to sign bilateral memoranda of mutual understanding, which would describe mutual respect, means and spheres of exchanging information, reads the statement signed today by the FBI director and the ministers of internal affairs of Lithuania, Latvia, and Estonia.

The scope of corruption in the European countries visited by the delegation, and in other countries of the world, trade in radioactive and nuclear substances, the protection of witnesses, the activity of criminal groups, and the [word indistinct] of these organizations between the Baltic states and Russia, were described at the news conference, too.

The guest noted that the establishment of a FBI mission in Lithuania and other Baltic states is a question for future negotiations. [passage omitted]

After the news conference, FBI director Freeh and persons accompanying him left Vilnius. They were seen off at the airport by Romasis Vaitekunas, the Lithuanian minister of internal affairs.

Delegation Discusses New Initiatives

LD0207084894 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 1 Jul 94

[Text] A delegation of the high-ranking law enforcement officials from the United States, which arrived in Vilnius on Friday, is having consultations on how to more effectively bar the way to terrorism, organized crime, and to the illegal [word indistinct] of drugs and radioactive substances.

Lithuania is one of the 11 European states where these days the American law enforcement officials, including the FBI director Louis Freeh, discuss with their Central and Eastern European colleagues new cooperation initiatives in combating crimes.

In their meetings with Lithuanian leaders and law enforcement officials, the Americans are discussing security measures against possible thefts of nuclear weapons and [words indistinct]. The delegation is discussing joint actions against organized crimes and the transit of drugs, drawing special attention to new criminal groups in Russia and Euro-Asia.

PRC's Qian Reportedly Cancels Cemetery Visit

WS0407113694 Tallinn BNS in English 1551 GMT 1 Jul 94

[Excerpt] Vilnius, Jul 01, BNS—Lithuanian human rights activists marred the first day of Chinese Foreign Minister Qian Qichen's two-day visit to Lithuania.

According to the visit's program, Qian Qichen, who arrived in Vilnius Thursday, was scheduled to lay flowers on the graves of those killed in the struggle for Lithuanian independence in 1991. But the Chinese minister canceled his visit to the Antakalnis cemetery when he found out about a picket arranged by Tibet supporters and members of Amnesty International. Picketers waited near the cemetery entrance with posters demanding to stop Tibet's occupation and genocide against its people. [passage omitted]

Ends Visit 1 Jul

LD0107175394 Moscow ITAR-TASS in English 1644 GMT 1 Jul 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius July 1 TASS—Chinese vice prime minister, Foreign Minister Qian Qichen ended his two-day visit to Lithuania with a sight-seeing programme of the Lithuanian capital on Friday.

The Chinese foreign minister was received by Lithuanian President Algirdas Brazauskas. According to uninformed [as received] sources, the two sides discussed the development of the bilateral ties, which "fully satisfy both countries".

The Lithuanian leader informed his Chinese guest about the pace of economic reforms in the republic, which "are proceeding not so quickly, as they would wish, but are going and deepening."

Sharing impressions of his stay in Lithuania, the Chinese foreign minister said that he had "observed evident signs of stabilisation not only in the economy, but also in the society."

During the talks Lithuania and China also discussed Lithuanian- Russian and Sino-Lithuanian relations. The Lithuanian president called them "normal", but the esteemed guest pointed out that "all sorts of things had happened in the past, but now relations between Moscow and Beijing had fully stabilised, and we are satisfied with them."

On Friday Qian Qichen also met with Lithuanian Prime Minister Adolfas Slezevicius, speaker of the Lithuanian parliament Ceslovas Jursenas and Lithuanian Foreign Minister Povilas Gylys.

In the afternoon the esteemed Chinese guest left (at 17:00 Moscow time) for the Estonian capital of Tallinn. During the visit to Lithuania the two sides did not sign any official documents.

According to local observers, the main aim of Qian Qichen's visit was to search markets for Chinese goods in the Baltic states, opening the Chinese "silk route" to the Baltics via the CIS countries, and later to Western Europe.